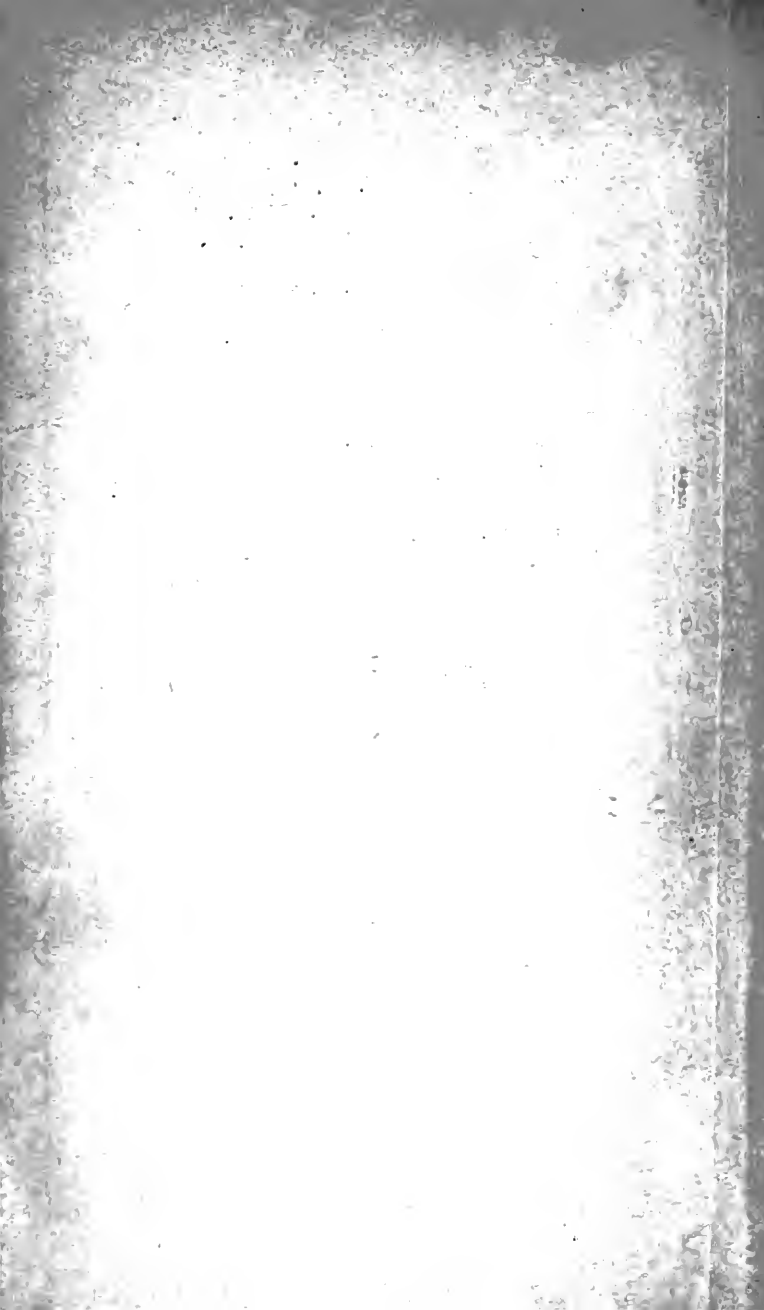


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THE

PEOPLE'S BLUE BOOK.

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THE
PEOPLE'S BLUE BOOK:
TAXATION AS IT IS,
AND AS IT OUGHT TO BE:

REVISED, ENLARGED, AND BROUGHT DOWN TO
THE PRESENT TIME:

WITH
A SUPPLEMENTARY CHAPTER ON IRELAND.

BY
CHARLES TENNANT.

"The object of THE PEOPLE'S BLUE BOOK is that, every man and woman in the kingdom may have in their own hands the means of knowing what they *are paying* to Government for the protection of their persons and property, and what they *ought to pay*."

"THE WELFARE OF THE PEOPLE IS THE HIGHEST LAW."

Fourth Edition, Enlarged.

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1872.

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PREFACE

TO

THE FOURTH EDITION.



THE alterations in the duties of Customs and Excise, since the publication of the Third Edition of this Book in 1862, have been so numerous as to require all the calculations and estimates to be re-made—and the first part of the book to be re-written—to bring down the facts and figures to the present time. But the plan of the work is in no way altered.

The Government Accounts are taken as the basis of the calculations and estimates relating to the Government Receipts and Payments.

The calculations and estimates connected with Trade depend, in a great measure, for accuracy, on the information received from the Heads of the Wholesale Houses in their respective branches of Trade. To them I am indebted for many details. But in making this public acknowledgment of their courtesy

and general intelligence, I think it right to add that, many of them take a narrow and mistaken view of their own interests as Traders. They admit (privately) that Custom House and Excise regulations are very injurious to Trade, and very vexatious to Traders, but that these operate to their protection as Traders, by requiring large capital for meeting the current expenses of their establishments, thereby limiting competition by keeping the wholesale trade in fewer hands, and tending to a monopoly.

This false reasoning, however, is rejected with contempt by a few of the more enlightened, and is the strongest possible condemnation of the system. As such it is here presented to the Public.

This narrow-minded tradesman's view is taken by many of the Wholesale Grocers and by all the large Brewers, but is not confined to them, the same operating in many other Trades, especially the Sugar Refiners, who hold a close monopoly in a very few hands, with consequences most disastrous to their dupes,—the ignorant Public.

None of these Protectionists are ever heard to declaim against Protecting Duties, and their opinions on these subjects are, of course, entirely confined to their own mistaken view of their own personal interests as traders.

But, of all Traders, the monopolist Sugar-Refiners and the great Brewers are the most pertinacious protectionists and the most determined advocates of their protecting duties. It is astonishing that, the Public

should ever listen to them but to laugh at them. They plunder the Public and support the Government which supports them, and their colossal fortunes,—wrung chiefly from the wages of labor,—make them powerful for maintaining their mischievous policy.

The greatest care has been taken to present the results of all the Government Accounts with as much accuracy as possible ; and, for the Estimates, no pains have been spared for obtaining the statistical facts from the most authentic sources. It is due to the Government to add that, for these objects, every assistance in their power has been most courteously rendered by all the Government Departments.

But, with all the care, it is very probable that, in such a work as this, there will be errors of the Author and errors of the Press.

These will be easily distinguished, and will not interfere with the principle in view.

The labor of getting up such a work as this is very great, and is greatly aggravated by the complicated system of Customs, Excise, and Stamps, on the Returns of which, as the chief branches of the Revenue, the Government Accounts are made up ; although these Returns, in the details, do not always correspond with the aggregates, and the Government Accounts do not always correspond in details or aggregates.

In many cases these difficulties are insurmountable, and estimates can be made and conclusions formed only as approximating to accuracy.

The Supplementary Chapter on Ireland is a reprint, —with some omissions,—of the 10th Edition,—printed (not published) for free distribution, and largely circulated over Ireland, last year (1871), with a view to ascertain the opinions of the Irish People on the question of a Parliament in Ireland for Irish Local Affairs, distinguished from Imperial affairs.

For this purpose I invited answers from the Land Proprietors, Property-holders, Tenant-farmers, and the Irish People in general.

My invitation was responded to by the Irish landlords, tenant-farmers, fellows of T. C. D. and fellows of all sorts, gentle, simple, and rude, to an unexpected extent, and, in some instances with an energy and freedom of expression quite astonishing, but probably from a mistaken impression of my object. The result, however, to my mind, was conclusive that, land-owners, property-holders, tenant-farmers, and well established tradesmen in general throughout Ireland, and the whole of the North of Ireland, are very strongly opposed to ‘Home Rule,’ as it is now called, and that, the Irish laboring classes, or non-property holders, are as strongly in favor of it.

To this general classification there are, no doubt, many exceptions, but that this is, on the whole, a correct conclusion, I am convinced by my own three months’ intercourse with the Irish People of all classes in all parts of Ireland, and by, what is much more to the purpose, the experience of the educated and most respected Irish Gentry,—land-pro-

prietors and others,—who have lived all their lives in Ireland.

But a very strong opinion prevailed amongst them that, the present system of government could not be much longer maintained in Ireland without open rebellion.

I have thought this explanation necessary to account for the omission of my original remarks on ‘Home Rule’ in the Supplementary Chapter on Ireland here annexed, though my own opinion has undergone no change on that question,—understanding, as I do and as I believe all loyal Irishmen do,—that, ‘Home Rule’ is intended and believed to be for strengthening and preserving, not for weakening or destroying, the Union with Great Britain.

I believe, there is not, in any part of the kingdom, more true and earnest loyalty than in Ireland.

This Supplementary Chapter is, in all other respects, a reprint of the 10th Edition, printed for private distribution and largely circulated over Ireland last year.

It can hardly be necessary to say that, the proposed new system of Taxation would secure far greater benefits to Ireland than the proposers and promoters of ‘Home Rule’ ever thought of or dreamt of.

With this explanation the Book is left in the hands of the Public to be dealt with as they think fit.

I have, in compliance with many requests, but very reluctantly, affixed my name to this new Edition; not from any doubt or distrust of the prin-

ciples here advocated, but from a fear that these will be misunderstood and misrepresented by some who read with a foregone conclusion, and by many more who read without reflection, and presume to play the part of critics, unconscious of their own profound ignorance.

I shall be much obliged by the notice of any errors and the suggestion of any improvements, but no criticisms will ever draw me into public controversy.

CHAS. TENNANT.

2, RICHMOND TERRACE,

WHITEHALL,

21st March, 1872.

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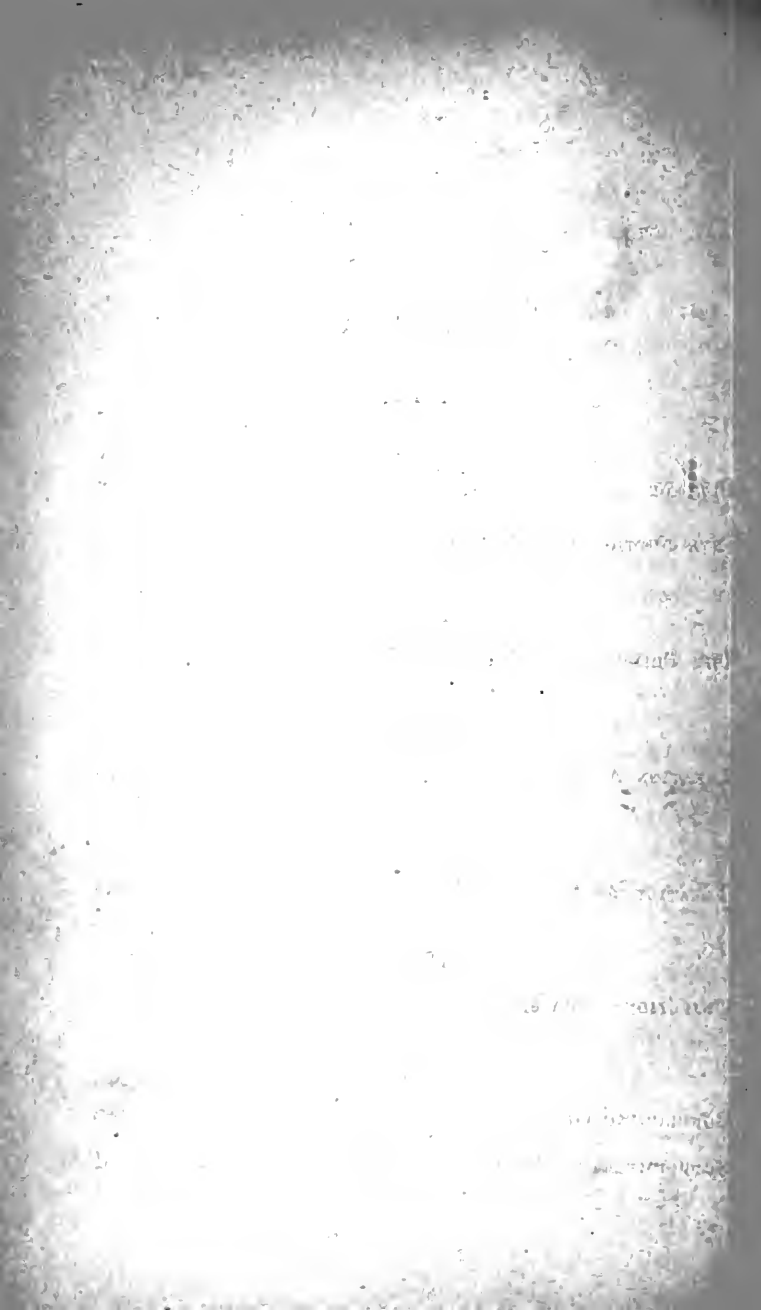
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INTRODUCTION

AND PLAN OF THE WORK.



ROGER BACON, the Monk of Ilchester, in the 13th Century, opens his "*Opus Magnum*" thus:—"There are four impediments to knowledge; *first*, too great dependence upon authority; *second*, allowing too great weight to custom; *third*, the fear of offending the vulgar; *fourth*, the affectation of concealing ignorance by the display of a specious appearance of knowledge."

Lord Bacon, in the 16th Century, in his *Opus Magnum*—classifies the obstacles which obstruct man in the simple apprehension of truth, into four great divisions, under the head of *Idola Tribus, Specus, Fori, et Theatri*; which may be rendered:—*Idola Tribus*, the illusions common to the whole race of man, in virtue of the constitution of his mind: *Idola Specus*, the illusions of a man's own den, bred out of his peculiar nature, habits, and pursuits; *Idola Fori*, the illusions derived from common talk—the inaccuracy of language, producing inaccurate conceptions, and this inaccuracy being inseparable from the talk of the vulgar: lastly, *Idola Theatri*, the illusions derived from systems invented by the schools—the imaginary, or stage world occupying the place of the actual world.

Lord Bacon utterly denies that we should submit to

the authority of men however great and good ; “ For disciples do owe unto their masters only a temporary belief, or a suspension of their own judgment, until they be fully instructed, and not an absolute resignation, or perpetual captivity.”

Adam Smith, the illustrious Father of the Science, or Art, (whichever it may be) of Political Economy, in the Eighteenth Century, opens his *Opus Magnum*, “ THE WEALTH OF NATIONS,” thus :—

“ The Annual labor of every nation is the fund which originally supplies it with all the necessities and conveniences of life which it annually consumes, and which consist always either in the immediate produce of that labor, or in what is purchased with that produce from other nations.”

* * * * *

“ To explain in what has consisted the revenue of the great body of the people, or what has been the nature of those funds, which, in different ages and nations, have supplied their annual consumption, is the object of these Four first Books. The Fifth and last Book treats of the revenue of the Sovereign, or Commonwealth. In this Book I have endeavoured to show ; first, what are the necessary expenses of the Sovereign, or Commonwealth ; which of those expenses ought to be defrayed by the general contribution of the whole Society ; and which of them, by that of some particular part only, or of some particular members of it ; Secondly, what are the different methods in which the whole society may be made to contribute towards defraying the expenses incumbent on the whole Society, and what are the principal advantages and inconveniences of each of these methods : and, thirdly and lastly, what are the reasons and causes which have induced almost all modern governments to mortgage some part of this revenue, or to contract debts, and what have been the effects of those

debts upon the real wealth, the annual produce of the land and labor of the Society."

Bastiat, the illustrious French Economist, in the 19th Century, opens his *Opus Magnum*, "HARMONIES ÉCONOMIQUES," thus:—"I undertake in this Work to demonstrate the Harmony of those Laws of Providence which govern human Society. What makes these laws harmonious, and not discordant is, that all principles, all motives, all springs of action, all interests, cooperate towards a grand final result, which humanity will never reach by reason of its native *imperfection*, but to which it will always approximate more and more by reason of its unlimited *capability of improvement*. And that result is, the indefinite approximation of all classes towards a level, which is always rising; in other words,—the *Equalisation* of individuals in the general *amelioration*."

He proves convincingly that individual interests, taken in the aggregate, far from being antagonistic, aid each other mutually; and that, so far is it from being true that the gain of one is necessarily the loss of another, each individual, each family, each country has an interest in all others. He shows that, between agriculturist and manufacturer, capitalist and laborer, producer and consumer, native and foreigner, there is in reality no antagonism, but, on the contrary, a community of interest; and that, in order that the natural Economic Laws should act constantly so as to produce this result, one thing alone is necessary—namely, respect for Liberty, and Property.

How truly this *Harmony* was felt, and how highly it was appreciated by our late illustrious, and lamented, Prince Albert, may be seen in the few following extracts, taken accidentally, from his printed speeches:—AT A MEETING OF THE SOCIETY FOR IMPROVING THE CONDITION OF THE LABORING CLASSES. MAY 18th, 1848.

"Depend upon it, the interests of classes, too often contrasted, are identical, and it is only ignorance which

prevents them from uniting for each other's advantage. To dispel that ignorance, to show how man can help man, notwithstanding the complicated state of civilized society, ought to be the aim of every philanthropic person; but it is more peculiarly the duty of those who, under the blessing of Divine Providence, enjoy station, wealth, and education."

AT THE LORD MAYOR'S BANQUET IN LONDON, MARCH 21ST, 1850,—IN ANTICIPATION OF THE GREAT INTERNATIONAL EXHIBITION.

"I conceive it to be the duty of every educated person closely to watch and study the time in which he lives, and, as far as in him lies, to add his humble mite of individual exertion to further the accomplishment of what he believes Providence to have ordained. Nobody, however, who has paid any attention to the peculiar features of our present era, will doubt for a moment that we are living at a period of most wonderful transition, which tends rapidly to accomplish that great end to which, indeed, all history points, *the realisation of the Unity of Mankind!* Not a unity which breaks down the limits, and levels the peculiar characteristics of the different Nations of the Earth, but rather a unity, *the result and product* of those very national varieties, and antagonistic qualities. Let them be careful, however, to avoid any dictatorial interference with labor and employment, which frightens away capital, destroys that freedom of thought and independence of action which must remain to every one if he is to work out his own happiness, and impairs that confidence under which alone engagements for mutual benefit are possible. God has created man imperfect, and left him with many wants, as it were, to stimulate each to individual exertion, and to make all feel that it is only by united exertions and combined action that these imperfections can be supplied, and

these wants satisfied. This pre-supposes self-reliance and confidence in each other."

Such were the sentiments expressed by our lamented Prince Consort on these, and many other like occasions.

Such truths, expressed in words of such beauty and simplicity, can hardly fail to be impressed on the minds of the People; and, if remembered, will surely bring blessings on the whole nation, down to the most distant generations.

"THE REALISATION OF THE UNITY OF MANKIND!" Let these memorable words be fixed on the imperishable page of the History of our Country, and our late Prince Albert will have been an example more glorious for mankind than all the Crowned Heads which this world has seen from David, the Shepherd King, to the present time.

What is the end and object of Religion, and Philosophy, but to bring about "the realisation of the Unity of mankind?"—to bring all mankind into one holy brotherhood of order, and universal love? For what else have all great and good men labored? For what else have all good books been written? For what else did St. Paul preach, and pray, and suffer? For what else did Jesus Christ come to us in our human nature on Earth, and die for us upon the Cross? For what else has the Holy Bible been preserved, and handed down to us, but to show,—to prove to us,—the end and object of our creation—one holy brotherhood, as Sons of God on Earth, and joint heirs with Christ in Heaven? And what is this, but "the realisation of the Unity of Mankind"?

How far we are from this we need not to be told. In no civilised Government of the World can we trace even an outline of the principle to this end. We see nothing in the principles of any human Government tending even to realise the Unity of Mankind. On the contrary,

we see the tendency of all Governments to divide Society into separate classes, with separate and conflicting interests; and we see all classes full of enmity and distrust, the one against the other.

Hence we see Society distracted with wild and visionary theories; all, or most of them, containing some portion of truth, but truth so out of place, and so misapplied, as to be absolute falsehood and most ruinous error. We see right so confounded with wrong that, many well meaning, and sincere men are quite unable to distinguish right from wrong. Hence have arisen the infinite varieties of Sects in Religion, and Parties in Politics which divide and rend Society throughout the World. They see that there is no Unity of Mankind, and they think to bring about that unity by their own false theories. Hence have arisen the Communist writers and agitators; the Socialists in all their various shades of folly, down to the miserable advocates of direct spoliation. The leaders in these unfortunate delusions, (except the last) have been, for the most part, well meaning, and sincere men, and neither knaves nor fools, in the common acceptation of these words. And injurious as these have been to Society at large, it cannot truly be said that they have been more injurious, or even so injurious, as another class who have set themselves up as *Protectionists*. No one can doubt that many of these have been well meaning, sincere, and, what are commonly called, sensible men. But they have been equally foolish with all the other visionaries, and more injurious, because more numerous. Spoliation has been at the bottom of it all. One class, with a view to its own good, plundering another class. The Protectionists have been the greatest plunderers, because they have been practising by a better disguised deception than the other plunderers. They have been more successful than the more openly avowed. That is the only difference.

Louis Blanc, Cabet, Proudhon, and others of their class,—have done much less harm in the world than Lord Castlereagh, Lord Liverpool, Lord Eldon, and some others of our past rulers who might be named. These, perhaps, were all sincere men, and Sir Robert Peel, late in his life, proved his sincerity by renouncing his errors, when he discovered them to be errors. The errors of the one class were not greater than the errors of the other; but the *Protectionist* error has been much more extensively injurious to mankind than the *Socialist* or *Communist* error.

The professed object of all has been the Unity of Mankind. No higher can be found in this world. But that object can be attained only through Liberty, and Justice.

Louis Blanc and his National Workshops, and all the illusions of the Socialists and Communists;—all the absurdities of the Advocates of Spoliation, in the grosser, or in the wilder, form, have been exposed, and are now comparatively harmless. But something of the old *leaven of protection* still remains,—still works; and this is nothing else than practical Communism, or spoliation. Whilst this remains and works, Liberty and Justice cannot work freely, and without these there can be no Unity of Mankind.

Unfortunately for Mankind there is, and always has been, a great and powerful class amongst the leaders of men,—Statesmen and Politicians, Economists and Religionists, who believe, or who act as if they believed, that “*the laws of nature, or the great providential laws, urge on Society to evil.*” They all, therefore, in their various ways, seek to find a remedy; some by arbitrary intervention,—some by their own contrivances,—and some by renouncing worldly interests, and by taking refuge in abnegation, self-sacrifice, and resignation.

But it is not true that the great providential laws urge

on Society to evil. These laws must ever work in perfect harmony with all the true interests of Society, it left to work in perfect liberty.

The harmony of human interests with *the great providential laws*, is the leading idea of Bastiat's greatest work, before referred to, and this is, perhaps, one of the greatest works ever given by man to man, for human government, and welfare.

As Bastiat asks :—" Have we liberty ? " And the question, as he says, is :—" Do these laws act in their plenitude, or is their action not profoundly troubled by the countervailing action of human institutions ? "

Let every one ask this question, and answer it for himself.

" Deny evil ! deny suffering ! Who can ? We must forget that our subject is man. We must forget that we are ourselves men. The laws of providence may be regarded as harmonious without their necessarily excluding evil. Enough that evil has its explanation, and its mission, that it checks and limits itself, that it destroys itself by its own action, and that each suffering prevents a greater suffering by repressing the cause of suffering. Society has for its element man, who is a *free agent* ; and since man is free, he may choose,—since he may choose, he may be mistaken, he may suffer,—he must be mistaken and suffer, for he begins his journey in ignorance, and for ignorance there are endless and unknown roads, all of which, except one, lead to error. Now, every Error engenders suffering : but either suffering reacts upon the man who errs, and then it brings Responsibility into play,—or, if it affects others who are free from error, it sets in motion the marvellous reactionary machinery of Solidarity. The action of these laws, combined with the faculty which has been vouchsafed to us of connecting effects with their causes, must bring us back, by means of this very suffering, into the

way of what is good and true. Thus, not only do we not deny the existence of evil, but we acknowledge that it has a mission in the social, as it has in the material world. But, in order that it should fulfil this mission, we must not stretch Solidarity artificially, so as to destroy Responsibility,—in other words, we must respect Liberty. Should human institutions step in to oppose in this respect the divine laws, evil would not the less flow from error, only it would shift its position. It would strike those whom it ought not to strike. It would be no longer a warning and a monitor. It would no longer have the tendency to diminish and die away by its own proper action. Its action would be continued, and increase, as would happen in the physiological world if the imprudences and excesses of the men of one hemisphere were felt in their unhappy effects only by the inhabitants of the opposite hemisphere.

“Now, this is precisely the tendency not only of most of our Governmental Institutions but likewise, and above all, of those which we seek to establish as remedies for the evils which we suffer. Under the philanthropical pretext of developing among men a factitious Solidarity, we render Responsibility more and more inert and inefficacious. By an improper application of the public force we alter the relation of labor to its remuneration, we disturb the laws of industry and of exchange, we offer violence to the natural development of education, we give a wrong direction to capital and labor, we twist and invert men’s ideas, we inflame absurd pretensions, we dazzle with chimerical hopes, we occasion a strange loss of human power, we change the centres of population, we render experience itself useless,—in a word, we give to all interests artificial foundations, we set them by the ears, and then we exclaim that—Interests are antagonistic : Liberty has done all the evil,—let us denounce and stifle Liberty.

“And yet, as this sacred word has still power to stir

men's hearts and make them palpitate, we despoil Liberty of its *prestige* by depriving it of its name; and it is under the title of *Competition* that the unhappy victim is led to the sacrificial altar, amid the applause of a mob stretching forth their hands to receive the shackles of servitude."

These are the words of the illustrious Frenchman, admirably rendered into English by Patrick James Stirling, F.R.S.E.

Here is the foundation of Bastiat's great work of "Economic Harmonies."

He appeals "with confidence to men of all schools, who prefer truth, justice, and the public good to their own systems."

He makes his appeal to Economists, Socialists, *Egalitaires*, Communists, Christians of all communions,—Proprietors, *Prolétaires*, Capitalists and Laborers, Disciples of Malthus!

But to Men of Spoliation! he says, "To you, alone, I make no appeal, for the design of this book is to sacrifice you, or rather to sacrifice your unjust pretensions. In vain we cherish conciliation. There are two principles which can never be reconciled,—Liberty and Constraint. If the laws of Providence are harmonious, it is when they act with freedom, without which there is no harmony. Whenever, then, we remark an absence of harmony, we may be sure that it proceeds from an absence of liberty, an absence of justice. Oppressors, spoliators, contemners of justice, you can have no part in the universal harmony, for it is you who disturb it."

All others he claims as his disciples, and he thus addresses them:—

"My aim is to demonstrate that society, as it exists, has only to acquire freedom in order to realise and surpass your wishes and your hopes. For all things are common to all, on the single condition that each man

takes the trouble to gather what God has given, which is very natural; or remunerate freely those who take that trouble for him, which is very just."

In these few and simple words is all his theory of Economic Laws. To build on this simple foundation was the design of his last and greatest work. He lived to complete it only in part, and, so far as it goes, it is complete,—an enduring memorial of a good man, and a great mind.

To that work this publication does not pretend to add anything.

It pretends only to show how the plain and simple principle there propounded, may be easily and safely carried out in practice.

It pretends to give a Practical Scheme for human Governments, and to show thereby the harmony of human interests with the great providential laws.

It pretends to show, in detail, the practical application of this principle;—to show Lord Bacon's sound teaching, for the practical purposes of life,—that "Man, the servant and interpreter of nature, can only do and understand what he has been guided to by observing the order of nature: further he knows not, neither can he do."

The more comprehensive the view that can be given of what is thus able to be known, and of how far the inquiry has to be extended in order to bring within reach full knowledge, the more will the human mind be impressed with the great truth of this teaching, and with the necessity for it. And so,—this teaching is a great pretension, but it is not a new one. It was attempted in "The People's Blue Book," first published in the year 1857, before the Author had heard even the name of Bastiat.

The Author has now the incalculable advantage of that great authority, who only followed out, as far as he

went, the directions of Bacon, who only followed out, as far as he went, the organisation of Nature.

There is another great name amongst men, and who has only lately departed from us, to whom the Author will shortly refer, but with a feeling of more than ordinary satisfaction, for a concurrence of opinion with himself on these questions.

Personally unknown to the Author, he received from Count Cavour, but a short time previously to his death, a Letter acknowledging the satisfaction with which he had perused the "People's Blue Book," and his approval of the principles therein propounded, which he hoped to apply in practice to the new Kingdom of regenerated and united Italy.

In one of the political pamphlets of this enlightened Statesman, in reference to the too common errors of the times, the following, in his own words,—(literally translated) are so applicable to the present subject, as to deserve the deepest reflection of every thoughtful mind:—"The remedies which should be opposed to these Socialist ideas, at whose propagation Society is justly alarmed, are, *firstly*, the diffusion of wholesome truths calculated to enlighten the intelligence of mankind; and, *secondly*, the promotion of feelings of mutual good-will between all classes of society. . . . To every man, then, his proper work! The philosopher and the political economist may easily refute in their studies the error of Communism; but their labor will be in vain unless all honest men, putting into practice the great principle of universal benevolence, act upon the hearts of mankind, as science acts upon their minds."

He shows that, in order to dispel the Socialist delusion, it is not enough for Writers to demonstrate its unsoundness. They must also show that the opposite principle is no longer tenable in practice.

He says:—"It is, perhaps, necessary to proclaim in

our days, even more distinctly than in past times, that the right of property, sacred and inviolable as it is, within certain limits, is not an absolute and irreversible principle."

There is no use in any longer blinking at the real question, which all highly civilised Nations are, in these times, forcing upon their Governments, and which must be met, sooner or later, with a satisfactory answer, if existing Governments are to stand.

All questions as to Communism, or Socialism, resolve themselves, finally, into this simple one;—as Cavour asks:—"What is the rational principle to adopt in cases of conflict between the right of property, on which the whole Social order depends, and the right of self-preservation, which cannot be refused to any living man? What ought one to do when there arises a positive collision between the Social and the natural right?—that is, between the principle of property necessary for the preservation and development of Society, and the principle which imposes upon man an absolute respect for the lives of his fellow-men."

Some recent writers have solved this problem by the theorem that, in all cases of collision, the right of property must ultimately give way to the right of self-preservation.

This solution, Cavour grants, may be true theoretically, but is not capable of practical application.

The Writer of these pages does not maintain this doctrine. He substitutes for the principle of the "right of self-preservation," the principle of the "right of labor."

But he does maintain that, "where a collision occurs between this irresistible 'right of labor,' and the 'right of property,' it is the latter, not the former, which must be sacrificed. For as property itself is established for the benefit and preservation of Society, it ceases to be

sacred when the respect which it inspires compromises the very existence of society itself."

As Cavour admits, and as all Statesmen must admit, the social power is obliged to reconcile itself to the spectacle of certain evils which it is powerless to prevent; but, nevertheless, if one were obliged to choose between the two solutions of the terrible problem, which one always meets with at the root of all social questions, it would be better to follow out the principle of the right of labor to its utmost consequences,—for that principle may be said to involve the right of self-preservation,—rather than to deny its existence absolutely, as many have been tempted to do, in consequence of the numerous obstacles one meets with, whenever one tries to organise any system for the social recognition of this important right.

But no one, as far as the Writer knows, has ever yet proposed any practical plan for preserving the 'right of labor,' without infringing on the 'right of property;'—no one has ever yet shown how both these rights may be respected for their mutual good; or, how inevitably the sacrifice of the one must be to the injury of the other.

No Statesman, no Political Economist, no Philosopher, no Man—save that One who combined the Human nature with the Divine,—has ever shown how this is to be done. He alone has given the rule by which alone those mutual rights can be preserved intact. But that rule has never yet been followed.

It is no presumption to point to that rule—to propound a plan in accordance with it—to express conviction in its practical applicability—in its sufficiency—and in its security.

But this is a great pretension—to do what no one before him has ever done for the benefit of mankind.—To this the Writer of these pages does make pretension.

And what is this, but a humble and earnest attempt to show how easily the GOLDEN RULE for individuals, may be followed out by Governments and Nations?

This is the object of "THE PEOPLE'S BLUE BOOK."

It remains with THE PEOPLE themselves to accomplish this object. Let them not deceive themselves with the delusive hope that, the PRACTICAL SCHEME OF TAXATION here proposed, however perfect for its purpose, will ever be carried out by any Government of its own accord. It is for the People to turn it to good account, by requiring their representatives in Parliament to take action upon it and carry it out by all lawful means.



PART I.

THE PRINCIPLES OF TAXATION.



THE
PEOPLE'S BLUE BOOK:

TAXATION AS IT IS, AND AS IT OUGHT TO BE.

PART I.

THE PRINCIPLES OF TAXATION . . . . .	19

It has been said that,—“*Actual equality of taxation* would be a criterion of the highest civilisation”; but this is as great an error as if, in place of the word, ‘*taxation*,’ the word, *property*, were substituted. The one is as undesirable and impossible as the other.

It is a common opinion that, State Taxes, should be raised by an equal rate on all descriptions of property. That, the rate should be equal is, no doubt, a correct principle; but to apply that to all descriptions of property is simply impossible, and, if possible, would be undesirable.

Property is so various, and so variable in its nature that, equality of rating, for all descriptions of property, must be impracticable.

But the proposition assumes that, it is for the interest of the State that, all Property should be taxed by an equal rate.

It will be shown in these pages that, this assumption is entirely wrong;—and that, if it were possible to carry

out such a system of taxation, it would be most injurious to the State.

Adam Smith said :—"The Subjects of every State ought to contribute towards the support of the Government as nearly as possible in proportion to their respective abilities ; that is, in proportion to the revenue which they respectively *enjoy* under the protection of the State."

It probably did not occur to Adam Smith when he wrote these words, that of the revenue which one man *receives* in the year another man often enjoys the greater part, as in the case of that portion of a man's annual receipts which includes the interest on borrowed money. And, why should "the subject contribute to the support of the Government," out of a revenue derived from a foreign Country ?

On no ground of policy or principle of justice can such a proposition be maintained. But on grounds of policy, and justice, it may be shown that, this proposition requires to be modified.

If it be shown to be for the interest of the State that, certain descriptions of property only should be taxed, it must be sufficient if all property of those descriptions be taxed equally.

That is proposed to be shown in these pages.

There can be no principle for taxing all persons equally "in proportion to their respective abilities," if it be shown that such taxation is injurious to the State, as well as to the individuals.

That is proposed to be shown in these pages.

No person, or class of persons, could justly complain of injury because another person, or class of persons, was untaxed, if all property of the same description were equally taxed, and if to tax them in property of another description would be injurious to the State and to all persons individually.

That it would be so, is proposed to be shown in these pages.

If it can be shown that, there are taxes on certain descriptions of property which take out, and keep out, of the pockets of the people, over and above what those taxes bring into the public treasury of the State, such taxes are expressly condemned by Adam Smith.

The Tax on Corn was such a tax. The Customs and Excise duties are such taxes.

All our existing taxes, including the Income Tax, as at present assessed, are such taxes, with the single exception of the Land Tax, which is unequally and, therefore, unjustly assessed.

Adam Smith said :—"Every tax ought to be so contrived as both to take out, and keep out, of the pockets of the people, as little as possible over and above what it brings into the public treasury of the State."

This is an axiom which cannot be disputed, and this is a condemnation of all Indirect Taxes.

But this destroys Adam Smith's former proposition, as will be shown in these pages, in the perusal of which this is especially to be remembered. It may then be seen that no injury is done to the State or to individuals, if large classes of persons escape the payment of any tax in respect of property.

It will be shown that it is for the benefit of the State, as well as of the Subjects, that such persons should be free from the payment of any tax in respect of property.

PART II.

TAXATION AS IT IS.



PART II.

TAXATION AS IT IS.



PERHAPS, there is no better way of showing Taxation "AS IT OUGHT TO BE," than in first showing it "AS IT IS," for then we have experience to help us to the conclusion that, *it ought not to be as it is.*

What it is, and has been for the last five years, (to go back no further) will be seen, at a glance, in the following Statement, prepared by Mr. Henry Lloyd Morgan, the well known Public Accountant, whose services, in a methodical and intelligible arrangement and investigation of the Government Accounts, though very highly appreciated, are yet unrequited by any public acknowledgment.

Here at least, the arrangement is simple, and the figures under the yearly columns are intelligible enough. But whether or not the sums entered, as received and paid, be correctly entered, there is no evidence. All that can be said is, that these entries are taken from the Government Accounts, and are here presented in a simple and intelligible form :—

ANNUAL PUBLIC INCOME AND EXPENDITURE FOR FIVE YEARS; EACH YEAR ENDING
ON THE 31ST MARCH. Prepared by Mr. Henry Lloyd Morgan, Accountant, 2, Walbrook Buildings, London.

GROSS INCOME.	1866.		1867.		1868.		1869.		1870.		Total.	
	£.		£.		£.		£.		£.		£.	
1. Customs	21,302,239	.	22,299,066	.	22,664,981	.	22,422,472	.	21,449,843	.	110,138,601
2. Excise	19,818,163	.	20,708,323	.	20,190,339	.	20,475,740	.	21,879,238	.	103,071,803
3. Stamps	9,605,506	.	9,365,665	.	9,475,177	.	9,241,450	.	9,288,553	.	46,976,351
4. Income Tax	6,321,692	.	5,637,295	.	6,184,166	.	8,623,508	.	10,108,589	.	36,875,250
5. Land Tax	1,109,714	.	1,111,750	.	1,092,696	.	1,117,570	.	1,627,883	.	6,059,613
6. Assessed Taxes	2,241,340	.	2,367,211	.	2,360,302	.	2,369,336	.	2,895,123	.	12,233,312
7. Post Office	4,361,878	.	4,511,574	.	4,558,962	.	4,553,581	.	4,671,230	.	22,657,225
8. Telegraph Service	100,761	.	100,761
9. Crown Lands	450,631	.	432,523	.	449,252	.	446,174	.	447,723	.	2,226,303
10. Miscellaneous	2,878,292	.	3,073,567	.	2,586,218	.	3,355,992	.	3,205,253	.	15,099,322
		68,089,455		69,506,974		69,562,093		72,605,823		75,674,196		355,438,541

GROSS EXPENDITURE.		1866.	1867.	1868.	1869.	1870.	Total.
		£.	£.	£.	£.	£.	£.
1. Interest and Management of National Debt	.	26,233,288	26,081,778	26,571,750	26,618,326	27,053,560	132,558,702
2. Army	.	14,569,279	14,675,540	15,418,582	15,000,000	13,565,400	73,228,801
3. Navy	.	10,259,788	10,676,101	11,168,949	11,366,545	9,757,290	53,228,673
4. Abyssinian Expedition	.	.....	.....	2,000,000	5,000,000	1,300,000	8,300,000
5. Fortifications (charged on National Debt)	.	560,000	450,000	530,000	525,000	200,000	2,265,000
6. Collection and Management of Revenue Departments	.	4,719,493	4,904,660	4,978,984	5,109,508	5,021,392	24,734,037
7. Post Office Packet Service	.	845,404	815,994	808,518	1,096,338	1,221,553	4,787,807
8. Salaries and Expenses of Public Departments	.	1,697,648	1,682,792	1,846,671	1,727,782	1,811,787	8,766,680
9. Diplomatic, Colonial, and Consular	.	717,080	597,019	718,777	703,891	720,544	3,457,311
10. Law and Justice	.	3,663,691	3,525,776	3,769,328	4,651,673	4,365,112	19,975,580
11. Civil List	.	406,498	407,053	405,721	406,630	405,941	2,031,843
12. Annuities and Pensions	.	296,322	279,874	286,839	282,014	290,405	1,435,454
13. Superannuation, etc.	.	353,648	328,156	372,946	402,244	455,101	1,912,095
14. Education, Science, and Art	.	1,279,256	1,326,686	1,595,447	1,380,962	1,635,212	7,217,563
15. Public Works and Buildings	.	651,585	794,932	722,394	953,982	958,662	4,081,555
16. Interest on Loans, Secret Service, etc.	.	182,511	168,212	211,305	177,939	190,581	930,548
17. Miscellaneous—Class 7—Supplies	.	156,422	273,202	216,982	183,188	199,802	1,029,596
18. Supplemental Civil Services	.	.....	339,969	159,000	.....	.....	498,969
19. Deficiencies on Grants in Supply	.	.....	.....	79,829	.....	.....	79,829
Total	.	66,591,913	67,327,744	71,862,022	75,586,022	69,152,342	350,520,043

In the statement here given of many of the Government Finance Accounts I have received much assistance from that remarkable compilation, called 'The Financial Reform Almanack,' published by the Liverpool Financial Reform Association, and prepared by the able and indefatigable Secretary, Mr. Charles Edward Macqueen.

I think it right to take this opportunity of mentioning for the benefit of the Public at large that, this Reform Almanack,—published yearly in one large sheet, price One Penny, or in a book, price Sixpence,—comprises a more comprehensive compilation of facts (relating to Government Accounts and Statistics) than is to be found in any single work of the kind ever published.

I wish to make this more generally known that, one of these Penny Sheet Almanacks may be seen on the wall, at the commencement of every new year, in every mansion-house, middle-class-house, cottage, counting-house, office, and shop in the kingdom, and if every person,—who can afford it,—when he applies to Mr. Macqueen for the Penny Sheet Almanack, were to remit One Penny more for his own benefit, this would be only a due acknowledgment of his national service.

The following Tables, from the Government Finance Accounts, Parliamentary Returns, and Official Statistics, are given for convenient reference, as illustrating and supporting in detail the principle here propounded for reorganising the system of taxation.

GENERAL BALANCE SHEET.

[illegible]

PUBLIC INCOME.

I.—CUSTOMS.

Finance Accounts, pages 21 and 22.

		£	s.	d.
1	Chicory	98,991	0	0
2	Coffee	347,755	0	0
3	Corn, Meal, and Flour	104,417	0	0
4	Currants	260,049	0	0
5	Raisins	112,872	0	0
6	SPIRITS—Colonial and Foreign—			
	Rum.....	1,933,383	0	0
	Brandy.....	1,710,335	0	0
	Geneva.....	73,091	0	0
	Other Sorts	474,591	0	0
		<hr/>		
		4,191,400	0	0
7	SUGAR—Unrefined ...	4,639,468	0	0
	Refined & Candy	653,869	0	0
	Molasses	103,223	0	0
		<hr/>		
		5,396,560	0	0
8	Tea	2,643,296	0	0
9	Tobacco and Snuff.....	6,608,716	0	0
10	Wine	1,476,404	0	0
11	Other Articles !.....	98,801	0	0
		<hr/>		
		£21,339,261	0	0
12	Duties collected on behalf of the Inland Revenue	17,988	0	0
13	Charges on deliveries from the Bonded Warehouses	41,984	0	0
14	Rents of Legal Quays, Warehouse Rents, etc.	11,626	0	0
15	Proceeds of Goods sold for the Duties ...	7,725	0	0
16	Fees received under Merchant Shipping Act, Part 2	450	0	0
17	Moneys received from the Board of Trade in re-imbursement of Charges incurred under the Merchants' Shipping Act ...	13,632	0	0
18	Proceeds of Sale of Premises, Old Stores, etc.	3,821	0	0
		<hr/>		
	Carried forward.....	£21,436,487	0	0

	£	s.	d.
Brought forward.....	21,436,487	0	0
19 Moneys received from the Merchants in respect of the special attendance of Officers given on their application	15,277	0	0
	21,451,764	0	0
Less Repayments on Over-Entries, etc., Isle of Man.....	1,921	0	0
	£21,449,843	0	0

II.—EXCISE.

Finance Accounts, page 24.

1 Chicory	15,848	0	0
2 Hackney Carriages	74,612	0	0
3 Licences	3,697,354	0	0
4 Malt.....	6,483,612	0	0
5 Race Horses	9,521	0	0
6 Railways	500,557	0	0
7 Spirits	10,969,188	0	0
8 Stage Carriages	33,926	0	0
9 Sugar	68,144	0	0
10 Fines, Forfeitures, and Costs recovered...	14,253	0	0
11 Contributions to the late Excise Corpora- tion Fund.....	421	0	0
12 Extra Receipts from Bankruptcy and Chancery Stamps	608	0	0
13 Miscellaneous	11,194	0	0
	£21,879,238	0	0

III.—STAMPS.

Finance Accounts, page 25.

1 Admiralty Court Fee Stamps	8,682	0	0
2 Bankers' Notes	1,492	0	0
3 Bankruptcy Court Fee Stamps	27,353	0	0
4 Bills of Exchange	719,750	0	0
5 Cards	12,110	0	0

Carried forward..... £769,387 0 0

		£	s.	d.
	Brought forward.....	769,387	0	0
6	Chancery Court Fee Stamps	63,729	0	0
7	Chancery Fund	4,465	0	0
8	Civil Bill Fund	13,670	0	0
9	Common Law Court Fee Stamps	90,120	0	0
10	Companies Registration Fee Stamps	9,381	0	0
11	Compositions for Duties on Bills and Notes	131,959	0	0
12	Copyhold, Inclosure, and Tithe Commis- sion Fee Stamps.....	8,879	0	0
13	Deeds and other Instruments	1,686,942	0	0
14	Divoree and Matrimonial Causes Fee Stamps	3,198	0	0
15	Gold and Silver Plate	57,681	0	0
16	INSURANCE—Fire ... 442,861 0 0			
	Marine. 83,923 0 0			
		526,784	0	0
17	Judgments Registry Fund	3,282	0	0
18	Land Registry Fee Stamps	1,315	0	0
19	Law Fund	9,442	0	0
20	Legacies and Successions	2,953,591	0	0
21	Licences and Certificates	133,097	0	0
22	Medicines	69,204	0	0
23	Newspapers and Supplements	108,851	0	0
24	Patents for Inventions	121,314	0	0
25	Penalties and Costs recovered.....	11,882	0	0
26	Probates of Wills and Letters of Ad- ministration.....	1,769,130	0	0
27	Probate Court Fee Stamps	144,972	0	0
28	Public Record Fee Stamps	710	0	0
29	Receipts, Drafts, and other Penny Stamps	583,568	0	0
30	Record of Title Fee Stamps.....	39	0	0
31	Registration of Deeds Fee Stamps	11,254	0	0
32	Miscellaneous	707	0	0
		£9,288,553	0	0

IV.—LAND TAX.

Finance Accounts, page 26.

Tax on Land and Tenements	£1,627,883	0	0
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V.—ASSESSED TAXES.

Finance Accounts, page 26.

	£	s.	d.
1 Schedule B, Inhabited Houses	1,674,067	0	0
2 „ C, Servants	244,311	0	0
3 „ D, Carriages	430,043	0	0
4 „ E, Horses for Riding	285,109	0	0
5 „ F, Other Horses and Mules ...	168,467	0	0
6 „ H, Horse Dealers.....	17,083	0	0
7 „ I, Hair Powder.....	972	0	0
8 „ K, Armorial Bearings	71,143	0	0
9 Additional 10 per cent., per Act 3 Vict. c. 17	1,709	0	0
10 Penalties and Costs recovered	1,423	0	0
11 Duties on Offices and Pensions	237	0	0
12 Miscellaneous	559	0	0
	<hr/>		
	£2,895,123	0	0

VI.—INCOME TAX.

Finance Accounts, page 26.

Income Tax	£10,108,589	0	0
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VII.—POST OFFICE.

Finance Accounts, page 28.

1 Postage Collected	191,681	0	0
2 Postage Stamps issued to Postmasters, etc.	3,577,043	0	0
3 Ditto Sold by Inland Revenue Department.....	703,000	0	0
4 Commission on Money Orders	178,451	0	0
5 Miscellaneous Receipts.....	21,055	0	0
	<hr/>		
	£4,671,230	0	0

VIII.—TELEGRAPHS.

Finance Accounts, page 29.

Amount received for Transmission of Tele- graphic Messages	£100,761	0	0
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IX.—CROWN LANDS.

Finance Accounts, page 30.

	£	s.	d.
1 Amount collected in England and Wales, Ireland, Scotland, Alderney, and the Isle of Man, to 31st March, 1870.....	386,332	0	0
2 Rents and Casual Revenues not included in Receivers' Accounts	4,610	0	0
3 Sale of Old Materials, etc.	8,695	0	0
4 Sales of Bark, Timber, etc.	48,086	0	0
	<hr/>		
	£447,723	0	0

X.—MISCELLANEOUS.

Finance Accounts, page 32.

1 Bank of England, Profits of Issue	138,578	0	0
2 China Indemnity	11	0	0
3 Civil Contingencies	32	0	0
4 Conscience Money.....	3,933	0	0
5 Contributions from Revenues of India for Military Charges	717,000	0	0
6 Ditto towards the expenses of the Persian Mission	15,000	0	0
7 Ditto, Red Sea Telegraph Company's Annuity	18,027	0	0
8 Ditto, towards the expenses of the Mail Service.....	153,944	0	0
9 Extra Receipts, Civil Departments	350,482	0	0
10 Fees, etc., of Public Offices	594,331	0	0
11 Greek Loan.....	7,877	0	0
12 Greenwich Hospital	14,460	0	0
13 Income of London, Edinburgh, and Dublin Gazettes.....	31,128	0	0
14 Isle of Man.....	11,924	0	0
15 Malta and Alexandria Telegraph	15,138	0	0
16 Old Stores, etc., Naval and Military Departments	1,034,510	0	0
17 Savings on Grants of Parliament and over issues repaid	57,721	0	0
18 Small branches of Hereditary Revenue...	30,359	0	0
19 Treasury Chest	640	0	0
	<hr/>		
Carried forward.....	£3,195,095	0	0

	£	s.	d.
Brought forward.....	3,195,095	0	0
20 Unclaimed Wages of deceased Merchant Seamen.....	7,929	0	0
21 Casual Receipts	2,229	0	0
	<u>£3,205,253</u>	0	0

PUBLIC EXPENDITURE.

XI.—PUBLIC DEBT.

Finance Accounts, pages 38, 39, and 40.

GREAT BRITAIN—Interest.

Three per cent. Consols	11,692,255	0	0
Three per cent. Reduced ...	3,180,957	0	0
New Three per cents.	5,715,735	0	0
New Three-and-a-half per cents	8,426	0	0
New Five per cents.	21,512	0	0
New Two and a-half per cent. Annuities	96,032	0	0
Sinking Fund Two and a-half per cent. Annuities	6,907	0	0
Exchequer Bonds of 1853, 16 Vict. c. 23	10,458	0	0
	<u>20,732,282</u>	0	0

IRELAND.

Three per cent. Consols	174,763	0	0
Three per cent. Reduced ...	3,298	0	0
New Three per cents.	904,940	0	0
New Five per cents.....	175	0	0
New Two and a-half per cents.	59	0	0
	<u>1,083,235</u>	0	0
	<u>21,815,517</u>	0	0

Interest of Government Debt
to Bank of England.....

330,453 0 0

Carried forward..... £330,453 0 0 21,815,517 0 0

	£	s.	d.	£	s.	d.
Brought forward.....	330,453	0	0	21,815,517	0	0
Ditto to Bank of Ireland ...	78,923	0	0			
	<hr/>			409,376	0	0
Management of Funded Debt in Great Britain	208,977	0	0			
Ditto of Unfunded Debt.....	891	0	0			
	<hr/>			209,868	0	0

TERMINABLE ANNUITIES.

Life Annuities, Great Britain	933,219	0	0			
Ditto Ireland	15,358	0	0			
Exchequer Annuities	11,404	0	0			
Annuities for various terms of years	53,026	0	0			
Ditto expiring 5th April, 1885	116,000	0	0			
Ditto Fortifications do. 5th April, 1885	385,431	0	0			
Ditto Post Office Savings Banks do. 5th April, 1885.	9,983	0	0			
Ditto Savings Banks, do. in 1885	2,805,427	0	0			
Red Sea and India Telegraph Co., do. 4th August, 1908.	36,000	0	0			
	<hr/>			4,365,848	0	0

FLOATING DEBT.

Interest of Exchequer Bonds	89,750	0	0			
Ditto on Exchequer Bills ...	149,099	0	0			
Ditto of Amount advanced by Bank of England in aid of Ways and Means.....	5,227	0	0			
Ditto Deficiency Bills	8,875	0	0			
	<hr/>			252,951	0	0
Total Interest and Management of Public Debt.....	<hr/>			£27,053,560	0	0

XII.—ARMY AND NAVY.

Finance Accounts, page 78.

Army	13,565,400	0	0
	<hr/>		
Carried forward.....	£13,565,400	0	0

	£	s.	d.
Brought forward.....	13,565,400	0	0
Navy	9,757,290	0	0
Abyssinian Expedition	1,300,000	0	0
	<u>£24,622,690</u>	0	0

XIII.—REVENUE DEPARTMENTS.—COLLECTION AND MANAGEMENT.

Finance Accounts, pages 72, 75, 76, and 77.

1 CUSTOMS SALARIES—			
Supply 1868-69	276,026	0	0
„ 1869-70	703,892	0	0
	<u>979,918</u>	0	0
2 INLAND REVENUE SALARIES—			
Supply 1868-69	392,144	0	0
„ 1869-70	1,185,741	0	0
	<u>1,577,885</u>	0	0
3 POST OFFICE SALARIES—			
Supply 1868-69	631,812	0	0
„ 1869-70	1,684,187	0	0
	<u>2,315,999</u>	0	0
4 TELEGRAPH SERVICE—			
Supply 1869-70	60,000	0	0
	<u>£4,933,802</u>	0	0
5 POST OFFICE PACKET SERVICE—			
Supply 1868-69	1,558	0	0
„ 1869-70	1,219,995	0	0
	<u>1,221,553</u>	0	0
6. CROWN LANDS—Paid out of Gross Revenue, page 30.			
Salaries and Allowances to Deputy Surveyors, etc.			
	7,151	0	0
Percentages and Allowances to Receivers			
	10,152	0	0
Ancient Pensions			
	7,156	0	0
Salaries, Wardens, Rangers, etc.			
	2,528	0	0
Carried forward	<u>£26,987</u>	0	0
	£6,155,355	0	0

	£	s.	d.	£	s.	d.
Brought forward.....	26,987	0	0	6,155,355	0	0
Improvement and Re- pair of Estates	21,630	0	0			
Ditto Buildings, Roads, etc.	38,973	0	0			
				87,590	0	0
				£6,242,945	0	0

XIV.—PUBLIC WORKS AND BUILDINGS.

CLASS 1.

Finance Accounts, pages 71, 72, 73, and 76.

1	British Embassy Houses and Consular Buildings, Constantinople, China, Japan, and Tehran	71,961	0	0
2	British Embassy Houses, Paris and Madrid	2,208	0	0
3	Burlington House	28,359	0	0
4	Chapter House, Westminster	3,235	0	0
5	Furniture of Public Offices	13,763	0	0
6	Glasgow University	20,000	0	0
7	Harbours of Refuge	82,041	0	0
8	Inland Revenue and Post Office Buildings	75,200	0	0
9	Lighthouses abroad	5,000	0	0
10	London University Buildings	29,946	0	0
11	Metropolitan Fire Brigade	10,000	0	0
12	National Gallery, London, enlargement... ..	3,000	0	0
13	New Foreign Office (building).....	5,000	0	0
14	New Home and Colonial Offices	10,000	0	0
15	New Houses of Parliament (buildings)... ..	41,550	0	0
16	New Palace of Westminster, acquisition of lands	11,935	0	0
17	Portland Harbour	3,838	0	0
18	Probate Court and Registries	7,157	0	0
19	Public Buildings, Great Britain	119,660	0	0
20	Public Buildings, Ireland.....	127,092	0	0
21	Public Offices, site	42,759	0	0
22	Public Record Repository	18,888	0	0
23	Rates on Government Property	33,957	0	0
24	Royal Palaces	36,619	0	0
	Carried forward.....	£803,168	0	0

	£	s.	d.
Brought forward.....	803,168	0	0
25 Royal Parks and Pleasure Gardens	126,016	0	0
26 Sheriffs' Court Houses, Scotland	25,178	0	0
27 Ulster Canal	1,500	0	0
28 Wellington Monument	2,800	0	0
	<hr/>		
	£958,632	0	0

XV.—SALARIES AND EXPENSES OF PUBLIC DEPARTMENTS.

CLASS 2.

Finance Accounts, pages 71, 73, 74, and 76.

1 Board of Trade, etc.	97,119	0	0
2 Boundary Survey, Ireland	484	0	0
3 Charitable Donations and Bequests Office, Ireland.....	2,852	0	0
4 Chief Secretary, Ireland, Offices.....	23,476	0	0
5 Colonial Office	34,768	0	0
6 Commission, Charity	18,128	0	0
7 Ditto, Civil Service	9,605	0	0
8 Ditto, Copyhold, Tithe and Inclosure ...	19,221	0	0
9 Ditto, Copyhold, Inclosure, Drainage Acts, Imprest Expenses	10,871	0	0
10 Ditto, Lunacy, England	10,016	0	0
11 Ditto ditto, Scotland	6,166	0	0
12 Ditto, Poor Law, England	216,950	0	0
13 Ditto ditto, Scotland	17,838	0	0
14 Ditto ditto, Ireland	96,577	0	0
15 Ditto Public Works Loan	4,132	0	0
16 Exchequer and Audit Department	36,340	0	0
17 Exchequer and other Offices in Scotland.	5,485	0	0
18 Fishery Board, Scotland	17,450	0	0
19 Foreign Office.....	60,973	0	0
20 General Register Offices, England	41,676	0	0
21 Ditto ditto Scotland	7,391	0	0
22 Ditto ditto Ireland	17,522	0	0
23 Home Office	82,748	0	0
24 House of Commons Offices	48,014	0	0
25 House of Lords Offices	37,438	0	0
	<hr/>		
Carried forward.....	£923,240	0	0

		£	s.	d.
	Brought forward.....	923,240	0	0
26	Household of Lord Lieutenant, Ireland...	6,164	0	0
27	Mint, including Coinage	38,293	0	0
28	National Debt Office	15,615	0	0
29	Patent Office	33,416	0	0
30	Paymaster-General's Office	20,107	0	0
31	Printing and Stationery	392,429	0	0
32	Privy Council Office	39,940	0	0
33	Privy Seal Office	2,882	0	0
34	Public Records and State Paper Office ...	22,438	0	0
35	Ditto ditto, Ireland	4,692	0	0
36	Public Works, Ireland (Office of)	27,025	0	0
37	Registrars of Friendly Societies	2,384	0	0
38	Secret Service	20,480	0	0
39	Treasury	60,124	0	0
40	Woods, Forests, and Land Revenues (Office of)	23,605	0	0
41	Works and Public Buildings (Office of)..	37,242	0	0
		<hr/>		
		£1,670,076	0	0

Paid out of Consolidated Fund, pages 45 and 46.

GREAT BRITAIN.

42	Clergy, Scotch	17,100	0	0
43	Clergy, West Indies ...	19,787	0	0
44	Compensations under Copyright Act	3,029	0	0
45	Exchequer and Audit Department	3,500	0	0
46	House of Commons	6,200	0	0
47	Inspectors of Anatomy..	888	0	0
48	Lunacy Commission.....	7,678	0	0
49	Miscellaneous	13,269	0	0
	Total Great Britain, £71,451.			

IRELAND.

50	Inspectors of Anatomy..	470	0	0
51	Lord Lieutenant	20,000	0	0
	Carried forward.....	£20,470	0	0
		<hr/>		
		£1,670,076	0	0

	£	s.	d.	£	s.	d.
Brought forward.....	20,470	0	0	1,670,076	0	0
52 Maynooth College	25,915	0	0			
53 Queen's Colleges	21,000	0	0			
54 Miscellaneous	2,875	0	0			
Total Ireland, £70,260.				141,711	0	0
				£1,811,787	0	0

XVI.—LAW AND JUSTICE.

CLASS 3.

Finance Accounts, pages 71, 74, 76, and 77.

ENGLAND.

	£	s.	d.	£	s.	d.
1 Admiralty Court Registry	13,605	0	0			
2 Bankruptcy Court	49,500	0	0			
3 Chancery Courts	88,500	0	0			
4 Common Law Courts ...	65,542	0	0			
5 County Courts	439,768	0	0			
6 Criminal Prosecutions ...	197,227	0	0			
7 Land Registry Office.....	4,886	0	0			
8 Law Charges, etc., Eng- land	41,568	0	0			
9 Metropolitan Police	202,489	0	0			
10 Police Courts, London and Sheerness.....	29,394	0	0			
11 Police, Counties and Bo- roughs, Great Britain .	282,463	0	0			
12 Probate Court, England, Salaries	84,431	0	0			
13 Miscellaneous	24,528	0	0			
	1,523,901	0	0			
14 Paid out of Consolidated Fund, page 56	424,253	0	0	1,948,154	0	0
Carried forward.....				£1,948,154	0	0

SCOTLAND.

Finance Accounts, pages 71, 74, 76, and 77.

	£	s.	d.	£	s.	d.
Brought forward.....				1,948,154	0	0
15 Courts of Law and Justice	55,459	0	0			
16 Criminal Proceedings ...	77,715	0	0			
17 Register House, Edinburgh, Salaries and Expenses of Sundry Departments	25,577	0	0			
	<hr/>			158,751	0	0
18 Paid out of Consolidated Fund, page 56.....	84,545	0	0			
	<hr/>			243,296	0	0

IRELAND.

Finance Accounts, pages 71, 74, 76, and 77.

19 Admiralty Court Registry	2,719	0	0			
20 Bankruptcy Court	8,010	0	0			
21 Chancery Court	42,586	0	0			
22 Common Law Courts ...	27,404	0	0			
23 Constabulary of Ireland .	859,933	0	0			
24 Dublin Metropolitan Police	96,550	0	0			
25 Four Courts Marshalsea Prison	2,380	0	0			
26 Landed Estates Court ...	11,703	0	0			
27 Law Charges and Criminal Prosecutions.....	45,790	0	0			
28 Probate Court.....	10,080	0	0			
29 Registry of Deeds	14,536	0	0			
30 Registry of Judgments...	2,462	0	0			
31 Miscellaneous.....	8,820	0	0			
Carried forward.....	£1,132,973	0	0	£2,191,450	0	0

	£	s.	d.	£	s.	d.
Brought forward.....	1,132,973	0	0	2,191,450	0	0
32 Paid out of Consolidated Fund, page 58	136,600	0	0			
	<hr/>			1,269,573	0	0

PRISONS.

Finance Accounts, pages 71, 74, 76, and 77.

ENGLAND.

33 Broadmoor Criminal Lu- natic Asylum	32,766	0	0			
34 Convict Establishments in the Colonies	166,198	0	0			
35 County Prisons, Refor- matories, etc., Great Britain	296,673	0	0			
36 Government Prisons and Transportation	306,460	0	0			
	<hr/>			802,097	0	0

SCOTLAND.

Finance Accounts, pages 71, 74, and 77.

37 Prisons.....	27,214	0	0			
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IRELAND.

Finance Accounts, pages 71, 74, and 77.

38 County Prisons	9,273	0	0			
39 Dundrum Criminal Lu- natic Asylum	5,571	0	0			
40 Government Prisons and Reformatories.....	59,934	0	0			
	<hr/>			74,778	0	0
				<hr/>		
				£4,365,112	0	0
				<hr/>		

XVII.—EDUCATION, SCIENCE, AND ART.

CLASS 4.

Finance Accounts, pages 72, 74, 75, 76, and 77.

	£	s.	d.
1 Belfast Theological Professors	2,350	0	0
2 Board of Manufactures, Scotland	3,100	0	0
3 British Museum	106,913	0	0
4 Education, Great Britain	837,226	0	0
5 Education, Ireland	383,583	0	0
6 Ditto Commissioners Endowed Schools...	4,000	0	0
7 Ditto ditto Ireland	648	0	0
8 Learned Societies, Great Britain	12,300	0	0
9 National Gallery	15,984	0	0
10 National Gallery of Ireland.....	2,261	0	0
11 National Portrait Gallery	1,710	0	0
12 Paris Exhibition.....	8,342	0	0
13 Queen's Colleges, Ireland.....	4,573	0	0
14 Queen's University, Ireland	3,491	0	0
15 Royal Irish Academy	1,684	0	0
16 Science and Art Department	219,481	0	0
17 University of London	8,397	0	0
18 Universities, etc., in Scotland	19,169	0	0
	<hr/>		
	£1,635,212	0	0
	<hr/>		

XVIII.—COLONIAL AND CONSULAR.

CLASS 5.

Finance Accounts, pages 72, 75, 76, and 77.

1 Colonies, Grants in Aid of Expenditure...	47,293	0	0
2 Commissions for the Suppression of the Slave Trade.....	7,055	0	0
3 Consular Services	276,886	0	0
4 Diplomatic Services	159,367	0	0
5 Emigration	11,862	0	0
6 Emigration of Coolies	529	0	0
	<hr/>		
Carried forward.....	£502,992	0	0

	£	s.	d.
Brought forward.....	502,992	0	0
7 Ministers at Foreign Courts, Extraordinary Expenses.....	52	0	0
8 Orange River Territory and St. Helena...	3,837	0	0
9 Pitcairn Islanders	25	0	0
10 Services in China, Japan, and Siam	63,012	0	0
11 Tonnage Bounties, etc.	63,559	0	0
12 Treasury Chest	30,970	0	0
	<hr/>		
	£664,447	0	0

Paid out of Consolidated Fund, pages
47, 48, and 49.

13 Argentine Republic.....	1,012	0	0
14 Austria	2,799	0	0
15 Bavaria	1,188	0	0
16 Belgium	1,188	0	0
17 Brazil	1,394	0	0
18 Central American Republics	500	0	0
19 Chili	451	0	0
20 Darmstadt.....	175	0	0
21 Denmark	1,188	0	0
22 Dresden	237	0	0
23 Equator	350	0	0
24 France	3,225	0	0
25 Greece	1,075	0	0
26 Holland	1,188	0	0
27 Italy	1,788	0	0
28 Monte Video.....	382	0	0
29 Morocco.....	100	0	0
30 Peru	500	0	0
31 Portugal	1,350	0	0
32 Prussia	2,375	0	0
33 Rome	312	0	0
34 Russia	2,820	0	0
35 Saxe Coburg.....	212	0	0
36 Spain	1,638	0	0
37 Sweden	1,038	0	0
38 Switzerland	799	0	0

Carried forward.....	£29,284	0	0	£664,447	0	0
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	£	s.	d.	£	s.	d.
Brought forward.....	29,284	0	0	664,447	0	0
39 Turkey	2,741	0	0			
40 United Provinces of Columbia	500	0	0			
41 United States	1,912	0	0			
42 Venezuela	500	0	0			
43 Würtemberg.....	762	0	0			
	<hr/>					
	35,699	0	0			
44 Pensions, per Act 2 & 3 William IV., cap. 116	20,398	0	0			
	<hr/>			56,097	0	0
				<hr/>		
				£720,544	0	0
				<hr/>		

XIX. — SUPERANNUATIONS, RETIRED ALLOWANCES, AND GRATUITIES FOR CHARITABLE AND OTHER PURPOSES.

CLASS 6.

Finance Accounts, pages 72, 75, 76, and 77.

1 Superannuations and Retired Allowances	339,531	0	0
2 Hospitals and Infirmaryes, Ireland.....	19,050	0	0
3 Merchant Seamen's Fund, Pensions	3,215	0	0
4 Non-Conforming Clergy	45,116	0	0
5 Relief of Distressed British Seamen	35,189	0	0
6 Miscellaneous Charitable and other Allowances, Great Britain	6,166	0	0
7 Ditto ditto Ireland	6,834	0	0
	<hr/>		
	£455,101	0	0
	<hr/>		

XX.—MISCELLANEOUS.

CLASS 7.

Finance Accounts, pages 75, 76, and 77.

1 Flax Cultivation, Ireland.....	2,178	0	0
2 Local Dues on Shipping, under Treaties of Reciprocity.....	61,844	0	0
	<hr/>		
Carried forward.....	£64,022	0	0

	£	s.	d.
Brought forward	64,022	0	0
3 Malta and Alexandria Telegraph, etc. ...	3,269	0	0
4 Registration Acceleration.....	9,716	0	0
5 Temporary Commissions	65,383	0	0
6 Miscellaneous Expenses	57,412	0	0
	<hr/>		
	£199,802	0	0
	<hr/>		

XXI.—CIVIL LIST.

Finance Accounts, page 40.

Sum appropriated out of Consolidated Fund, on account of the 1st, 2nd, 3rd, 4th, and 6th Classes	385,000	0	0
Charge for Pensions, granted per Act 1 Vic., cap. 2, (Class 5)	20,941	0	0
	<hr/>		
	£405,941	0	0
	<hr/>		

XXII.—ANNUITIES AND PENSIONS.

Finance Accounts, pages 41 to 44.

GREAT BRITAIN.

1 Annuities to the Royal Family	111,000	0	0
Pensions—			
2 Naval and Military Services	37,845	0	0
3 Civil Services	24,210	0	0
4 Judicial Services	50,540	0	0
5 Hereditary Pensions:—			
Duke of Marlborough	£4,000	0	0
Heirs of the Duke of Schomberg	2,160	0	0
Moiety of the Earl of Bath's Pension	1,200	0	0
	<hr/>		
		7,360	0 0
6 Servants of Queen Char- lotte	409	0	0
	<hr/>		
Carried forward.....	£409	0	0
	230,955	0	0

	£.	s.	d.	£.	s.	d.
Brought forward.....	409	0	0	230,955	0	0
7 Servants of George III.	216	0	0			
8 Servants of Queen Caroline	97	0	0			
				722	0	0
9 Pensions formerly on the Civil List of their late Majesties, George IV. and William IV., the Hereditary Revenues of Scotland, and $4\frac{1}{2}$ per cent. Duties ...				18,386	0	0
Total Great Britain.....				£250,063	0	0

IRELAND:—

10 Civil Services	£3,254	0	0			
11 Judicial Services	30,666	0	0			
12 Pensions formerly on Civil List	5,535	0	0			
13 Trustees of Mrs. Hamilton and Children, etc.	887	0	0			
				40,342	0	0
				£290,405	0	0

XXIII.—INTEREST ON LOANS, SECRET SERVICE, ETC.

Finance Accounts, page 59.

1 Interest and Sinking Fund on Russian Dutch Loan.....	69,965	0	0
2 Ditto do. Greek Loan	47,357	0	0
3 Towards the support of Greenwich Hospital	15,000	0	0
4 Secret Service, formerly charged on Civil List	10,000	0	0
5 Receiver General, Duchy of Lancaster Annuity in lieu of Prisage and Butlerage on Wines imported into that county	803	0	0
Carried forward.....	£143,125	0	0

	£	s.	d.
Brought forward.....	143,125	0	0
6 Receiver General, Duchy of Cornwall compensation for loss of duties on the coinage of Tin.....	16,217	0	0
7 Compensation to sundry persons for loss of offices on the abolition of duties on the coinage of Tin.....	221	0	0
8 In aid of the Cash Balance of the Account- tant in Bankruptcy	18,018	0	0
9 Moiety of the expense of the Annual Re- vision of the Rateable Property in Ireland.....	12,200	0	0
10 Piers and Harbours in Ireland	800	0	0
	<hr/> £190,581	0	0

XXIV.—FORTIFICATIONS.

Finance Accounts, page 59.

Expense of Constructing certain Fortifications as per Act 30 and 31 Vic., cap. 145	£200,000	0	0
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GENERAL SUMMARY.

XI.—Interest and Management of the Na- tional Debt	27,053,560	0	0
XII.—Army, Navy, and Abyssinian Expedi- tion	24,622,690	0	0
XIII.—Collection and Management of the Revenue Departments, including Packet Service and Telegraphs.....	6,242,945	0	0
XIV.—Public Works and Buildings	958,662	0	0
XV.—Salaries and Expenses of Public De- partments	1,811,787	0	0
XVI.—Law and Justice	4,365,112	0	0
XVII.—Education, Science and Art	1,635,212	0	0
XVIII.—Colonial and Consular	720,544	0	0
Carried forward.....	£67,410,512	0	0

	£	s.	d.
Brought forward.....	67,410,512	0	0
XIX.—Superannuations, etc.	455,101	0	0
XX.—Miscellaneous.....	199,802	0	0
XXI.—Civil List	405,941	0	0
XXII.—Annuities and Pensions	290,405	0	0
XXIII.—Interest on Loans, Secret Service, etc.	190,581	0	0
XXIV.—Fortifications.....	200,000	0	0
	<hr/>		
	£69,152,342	0	0
	<hr/>		

RATES OF ALL TAXES AND IMPOSTS.

FROM WHICH THE IMPERIAL REVENUE IS RAISED, AND THE TOTAL GROSS PRODUCE OF EACH OF THEM IN THE FINANCIAL YEAR ENDING MARCH 31, 1870.

(Compiled from Sir Thomas Bazley's Return, No. 456, ordered to be printed August 10, 1870.)

	To June 1, 1869.	Rates of Duty. From June 1, 1869.	Quantities Taxed.	Produce. £.
Beer Mum.....	Per bar. of 32 gal. 20s.	Per bar. of 36 gal. 21s.	33 gals.	1
„ Spruce ...	20s.	21s. and 24s. according to specific gravity of the worts.	64,509 „	2,139
„ and Ale of other sorts	20s.	8s., 11s., and 16s. according to do.	101,150 „	1,558
„ of the Isle of Man	4s. 3d. per bar. of 36 gals. according to do,	£ s. d.	2,436 „	22
Cards, playing, per doz. packs		0 3 9	1,772 doz. pks.	332
Chicory, raw or kiln-dried, per cwt.		1 6 6	74,678 cwt.	98,949
„ produce of Channel Islands		1 4 3	1,041 „	1,263
„ roasted or ground, per lb.		0 0 4	4,478 lbs.	75
Chocolate, per lb.		0 0 2	256,863 „	2,140
Cocoa, per lb.....		0 0 1	6,579,776 „	27,416
„ husks and shells, per cwt.		0 2 0	10,878 cwt.	1,088
Coffee, raw, per lb.		0 0 3	28,133,939 lbs.	351,665
„ roasted, kiln-dried, or ground, per lb.		0 0 4	3,362 „	56

From April 1st to June 1st, 1869.

Carried forward..... 486,704

	Rates of Duty.			Quantities	Produce.
	£.	s.	d.	Taxed.	£.
	Brought forward.....				486,704
CORN and Farinaceous substances—					
Wheat, per cwt.....	0	0	3	3,705,297 cwt.	46,316
Barley, per cwt. ...	0	0	3	857,678 „	10,721
Oats, per cwt.....	0	0	3	741,216 „	9,265
Rye, per cwt.	0	0	3	14,826 „	185
Pease, per cwt.	0	0	3	119,102 „	1,489
Beans, per cwt.	0	0	3	217,971 „	2,725
Indian Corn, per cwt. .	0	0	3	2,130,781 „	26,635
Buck Wheat, per cwt. .	0	0	3	2,562 „	32
Bere or Bigg, per cwt..	0	0	3	—	—
Arrow Root, per cwt. .	0	0	4½	2,409 „	45
Barley, Pearled, per cwt.	0	0	4½	5 „	—
Biscuit and Bread, per cwt.	0	0	4½	594 „	11
Cassava Powder, per cwt.	0	0	4½	676 „	13
Flour, Wheat, per cwt.	0	0	4½	526,070 „	9,864
Mandioca, per cwt.	0	0	4½	—	—
Potato, per cwt. ...	0	0	4½	15,061 „	282
Manna Croup, per cwt.	0	0	4½	3 „	—
Meal, Barley, per cwt.	0	0	4½	—	—
Oat, per cwt.	0	0	4½	61 „	1
Rye, per cwt.	0	0	4½	25 „	1
Pea, per cwt. ...	0	0	4½	—	—
Bean, per cwt.....	0	0	4½	—	—
Indian Corn, p. cwt.	0	0	4½	1,459 „	27
Buck Wheat, per cwt.	0	0	4½	18 „	—
Unenumerated, per cwt.	0	0	4½	896 „	17
Powder of all sorts, per cwt.	0	0	4½	—	—
Rice dust and Meal, per cwt.	0	0	4½	2,031 „	38
Sago, per cwt.	0	0	4½	20,699 „	388
Semolina, per cwt.....	0	0	4½	398 „	8
Starch, per cwt.	0	0	4½	2,759 „	52
Tapioca, per cwt.	0	0	4½	3,766 „	71
Vermicelli and Macca- roni, per cwt.	0	0	4½	2,398 „	45
Carried forward.....					594,935

Duty repealed from June 1, 1869, and all now happily free.

	Rates of Duty.			Quantities	Produce.
	£	s.	d.	Taxed.	£.
	Brought forward.....				594,935
FRUIT, Dried—					
Currants, per cwt.....	0	7	0	744,992 cwt.	260,757
Figs, Plums, and Prunes,					
per. cwt.	0	7	0	111,554 „	39,054
Raisins, per cwt.	0	7	0	324,759 „	113,671
Malt and its Products— <i>see Beer.</i>					
Pickles (in Vinegar), per gal.	0	0	1	1,850 gals.	8
Plate, Gold, per oz. troy	0	17	0	31 oz.	26
„ Silver, per oz. troy ...	0	1	6	61.353 „	4,591
SPIRITS and Alcoholic Articles—					
Rum and Spirits, of and					
from British Possessions					
in America, Mauritius,					
and the East Indies, per					
proof gal.	0	10	2	3,758,570 gals.	1,910,433
From Foreign Country of					
Production	0	10	2	41,626 „	21,161
Not from ditto	0	10	5	4,208 „	2,193
Brandy	0	10	5	3,288,035 „	1,712,482
Geneva	0	10	5	140,856 „	73,366
Other Sorts	0	10	5	861,342 „	448,618
Sweetened or mixed—					
British and Colonial	0	10	2	889 „	452
Other Sorts	0	14	0	37,050 „	25,923
Chloroform, per lb.	0	3	0	1,061 lbs.	159
Collodion, per gal.....	1	4	0	10 gals.	13
Ether, per gal.	1	5	0	71 „	88
Naphtha, or Methylic Al-					
cohol, purified	0	10	5	—	—
Varnish containing Alcohol	0	12	0	230 „	138
Spruce, Essence of, p. c. <i>ad val.</i>	10	0	0	£10 (value)	1
SUGAR and Saccharine Articles—					
Refined and Candy, per cwt.	0	12	0	1,095,266 cwt.	657,006
Unrefined—					
1st class, per cwt.	0	11	3	126,123 „	70,946
2nd class, per cwt.....	0	10	6	2,381,987 „	1,250,954
3rd class, per cwt.....	0	9	7	2,693,686 „	1,290,941
4th class, per cwt.....	0	8	0	5,708,885 „	2,283,091
Carried forward.....					10,761,007

	Rates of Duty.			Quantities	Produce.
	£	s.	d.	Taxed.	£.
Brought forward.....					10,761,007
Molasses	0	3	6	656,644 cwt.	105,064
Almond Paste, per lb.	0	0	1	110 lbs.	
Cherries, dried, per lb.....	0	0	1	2,427 „	10
Comfits, dry, per lb.....	0	0	1	31 „	
Confectionery, per lb.	0	0	1	525,686 „	2,191
Ginger, preserved, per lb....	0	0	1	338,852 „	1,412
Glucose, or Vegetable Sy- rup, charged according to saccharine matter				31,820 cwt.	11,264
Marmalade, per lb.	0	0	1	528 lbs.	2
Plums, preserved, per lb....	0	0	1	453 „	2
Succades, per lb.	0	0	1	458,670 „	1,911
TEA, per lb.	0	0	6	105,800,661 „	2,645,052
TOBACCO, Unmanufactured—					
With 10 per cent. moisture per 100 lbs. or more	0	3	1 $\frac{3}{10}$	} 41,044,770 lbs.	6,459,797
Less than ditto	0	3	6		
Manufactured—					
Cigars	0	5	0	788,903 lbs.	197,219
Cavendish or Negrohead—					
Home (in bond).....	0	4	0	15,847 „	3,170
Foreign manufacture ...	0	4	6	17,622 „	3,966
Snuff, more than 13 lbs. moisture per 100 lbs., per lb.....	0	3	9	254 „	51
With less	0	4	6	22,911 „	Admitted duty free.
Other Manufactured To- bacco	0	4	0	24,067 „	4,815
Vinegar, per gal.	0	0	3	50,411 gals.	630
WINE, with less than 26 de- grees of Proof Spirit, p. gal.	0	1	0	4,505,361 „	225,648
26 and less than 42 degrees	0	2	6	10,015,062 „	1,251,498
Additional beyond 41 de- grees, per degree	0	0	3	11,037 „	1,716
Total Gross Produce of Customs Duties in 1869-70					21,676,425
Ditto ditto ditto 1868-9					22,585,529
Decrease.....					£909,104

AGGREGATE AMOUNT, ETC., OF CUSTOMS REVENUE FOR FIVE YEARS.

Years ended March 31.	Total Gross Receipts.	Repay- ments for Draw- backs and over Entries.	Net Produce.	Charges of Collec- tion.	Net Pro- duce after deducting Charges of Collec- tion.
	£	£	£	£	£
1866 ...	21,356,723	216,606	21,140,117	757,654	20,382,463
1867 ...	22,355,859	257,630	22,098,229	767,832	21,330,397
1868 ...	22,808,140	247,739	22,560,401	775,674	21,784,727
1869 ...	22,585,529	293,884	22,291,645	786,435	21,505,210
1870 ...	21,676,425	337,164	21,339,261	782,168	20,557,093
Totals in five years	£110,782,676	£1,353,023	£109,429,653	£3,869,763	£105,559,890

EXCISE.

	Rates of Duty.			Persons, etc.,	Produce
	£	s.	d.	Taxed.	£.
Armorial Bearings, Great Britain, if painted on or attached to any Carriage	2	2	0	20,185	80,926
If otherwise used or worn	1	1	0	36,703	
Beer, returned drawback on	—————			1,062 brls.	398
Carriages, Hackney, per week duty*	0	7	0	6,440 No.	74,236
Not used on Sunday*	0	6	0		
Stage Duty, per mile*	0	0	0 $\frac{1}{4}$	27,472,408 miles	30.700
Chicory, per cwt.	1	4	3	12,525 cwt.	15,186
Malt, Barley, per bushel (and 5 p. c.).....	0	2	7	50,652,587 bsh. }	6,874,468
Bere or Bigg (and 5 p. c.)	0	2	0	44,872 „ }	
Railway Passengers, 5 per cent. on receipts from ...	—————			£10,118,159	505,907
Carried forward.....					7,581,821

* Repealed from January 1, 1870.

	Rates of Duty.			Persons, etc.,	Produce.
	£	s.	d.	Taxed.	£.
	Brought forward.....				7,581,821
Spirits (Home), per gal.	0	10	0	22,855,229 gals.	11,427,614
Sugar, per cwt. ... from 8s. to	0	12	0	28,710 cwt.	11,883
Used by Brewers	0	3	6	295,865 „	51,776

LICENCES.

ALE and BEER, Dealers in					
Strong, Wholesale	3	6	1 $\frac{3}{4}$	6,510 No.	21,530
Retail, not to be drunk on					
the premises	1	2	0 $\frac{1}{2}$	4,326 „	4,767
Publicans rated under £20,					
in England and Ireland .	1	2	0 $\frac{1}{2}$	41,935 „	46,215
Rated £20 and upwards ...	3	6	1 $\frac{3}{4}$	44,065 „	145,735
Retailers in England and					
Wales, to be drunk on					
the premises	3	6	1 $\frac{3}{4}$	44,501 „	147,177
Not to be so drunk	1	2	0 $\frac{1}{2}$	3,078 „	3,392
In Scotland, if rated under					
£10	2	10	0	287 „	717
At and above £10	4	4	0	289 „	1,213
Of Cider or Perry only	1	2	0 $\frac{1}{2}$	277 „	305
Of Table Beer only	0	5	0	2,605 „	651
Appraisers and House Agents	2	0	0	3,971 „	7,942
Auctioneers	10	0	0	5,499 „	54,990
Brewers of Black or Spruce					
Beer, from 10s. 6d. to ...	78	15	0	32,682 „	363,525
Of other kinds, beginners...	0	12	6		
Of not more than 20 barrels	0	12	6		
Ditto ditto 50 „	1	7	6		
Ditto ditto 100 „	2	0	0		
Ditto ditto 1000 „					
For every 50 additional					
barrels over 100.....	0	15	0		
Ditto ditto 1000					
For every 50 over 1000.....	0	14	0		
Exceeding 50,000, for every					
50 barrels over	0	12	6		
Carried forward.....					19,871,253

	Rates of Duty.			Persons, etc.,	Produce.
	£	s.	d.	Taxed.	£.
Brought forward.....					19,871,253
Using Sugar, additional ...	1	0	0	1,124 No.	1,124
Retail (under 5 Geo. IV. c. 54)	5	10	3	34 „	187
Cards, Playing, makers of ...	1	0	0	16 „	16
Sellers of.....	0	2	6	9,158 „	1,144
CARRIAGES,* Hackney (in					
London only)	1	0	0	2,614 „	2,614
Stage, to carry eight persons*	0	10	0	24 „	72
More than eight*	3	3	0		
CARRIAGES†—					
In Great Britain, each having					
4 or more wheels, and					
weighing 4 cwt. and up-					
wards	2	2	0	132,331 „	465,388
With fewer than 4 wheels,					
or having 4 or more,					
weighing less than 4 cwt.	0	15	0	249,991 „	285,181
Dogs, in Great Britain, each .	0	5	0	1,140,727 „	
Game, Licences to kill, for six					
months.....	2	0	0	59,627 „	165,286
Ditto for the year	3	0	0		
Gamekeepers	2	0	0		
To deal in	2	0	0	2,361 „	4,722
Hawkers and Pedlars, rates					
increasing in Gt. Britain					
upwards from.....	2	0	0	20,735 „	52,323
In Ireland	2	2	0		
Horse Dealers, Great Britain	12	10	0	1,009 „	12,612
Horses and Mules, each	0	10	6	744,906 „	391,075
Malt, Roasters of	20	0	0	21 „	420
Dealers in Roasted	10	0	0	12 „	120
MALSTERS: — Beginners,					
with surcharge according					
to quantity	0	7	10½	5,417 „	15,549
Making not more than 5 qrs.	0	2	7½		
Not exceeding 50 qrs.	0	7	10½		
For every additional 50 qrs.	0	7	10½		
Exceeding 550 qrs.	4	14	6		

 Carried forward.....£21,269,086

* Repealed from January 1, 1870.

† The New Duties.

	Rates of Duty.			Persons, etc.,	Produce.
	£	s.	d.	Taxed.	£.
	Brought forward.....				21,269,086
MEDICINE Vendors, in					
London and Edinburgh...	2	0	0	12,339 No.	6,878
In other Cities and Boroughs	0	10	0		
Elsewhere in Great Britain	0	5	0		
Paper Makers.....	4	4	0	393 „	1,650
Passenger Vessels (for Sale of					
Liquors, etc.)	1	1	0	393 „	412
Pawnbrokers, in London	15	0	0	4,013 „	33,847
Elsewhere	7	10	0		
Plate, to sell 2 oz. Gold or 30					
oz. Silver and upwards...	5	15	0	9,866 „	30,764
Under	2	6	0		
Post-horses,* rates increasing					
in Great Britain from ...	5	0	0	11,511 „	102,485
In Ireland	2	4	1	209 „	
Racehorses in Great Britain,					
per horse.....	3	17	0	2,473 „	9,521
Refreshment Houses, Keepers of—					
If rated under £30	0	10	6	2,817 „	1,478
At £30 and upwards.....	1	1	0	3,809 „	3,999
To sell Wine consumed on					
Premises—					
If rated under £50	3	3	0	2,324 „	7,320
At £50 and upwards.....	5	5	0	938 „	4,924
Not consumed on Premises—					
If rated under £50	2	2	0	2,327 „	4,886
At £50 and upwards.....	3	3	0	639 „	2,012
Male Servants (in Great Britain					
only), each	0	15	0	267,671 „	200,753
Soap Makers	4	4	0	307 „	1,289
SPIRIT DEALERS—					
Selling not less than 2 gals.	10	10	0	6,266 „	65,793
Not less than 1 quart bottle	3	3	0	3,251 „	10,240
Retailing of foreign liqueurs	2	2	0	5 „	10
Carried forward.....					£21,757,347

* Repealed from January 1, 1870.

	Rates of Duty.			Persons, etc.,	Produce.
	£	s.	d.	Taxed.	£.
	Brought forward.....				21,757,347
SPIRITS, Retailers of, in England and Ireland, if rated under £10.....	2	4	1	84,529 No.	545,898
Increasing by six stages to, if rated at £50 and up- wards	11	0	6		
In Scotland only, if rated under £10	4	4	0	12,066 „	86,479
Increasing by six stages to, if rated at £50 and up- wards	13	13	0		
In Ireland only: Retailers Licensed to sell Tea, Coffee, etc.— If rated under £25.....	9	18	5 $\frac{1}{4}$	482 „	5,166
Increasing by four stages to, if rated at £50 and upwards	14	6	7 $\frac{3}{4}$		
SPIRITS, Distillers of	10	10	0	142 „	1,491
Rectifiers	10	10	0	170 „	1,785
Makers of Methylated	10	10	0	9 „	94
Retailers of Methylated ...	0	10	0	1,356 „	678
Stills, to make (in Scotland and Ireland)	0	10	6	18 „	9
To use	0	10	0	876 „	438
Sweets, Wholesale Makers and Dealers in	5	5	0	122 „	640
Retailers of.....	1	2	0 $\frac{1}{2}$	10,212 „	11,254
TEA and Coffee Dealers,* if rated under £8	0	2	6	15 „	20
At £8 and upwards	0	11	6 $\frac{1}{2}$	33 „	
Tobacco and Snuff Manufacturers— Beginners, with surcharge according to quantity ...	5	5	0	586 „	7,392
Not exceeding 20,000 lbs....	5	5	0		
Increasing by five stages, if making 100,000 lbs. and upwards, to.....	31	10	0		
Carried forward.....					£22,418,691

* Repealed from July 5, 1869.

	Rates of Duty.			Persons, etc.,	Produce.
	£	s.	d.	Taxed.	£.
				Brought forward.....	22,418,691
Dealers in	0	5	3	280,357 No.	74,381
Vinegar Makers.....	5	5	0	62 „	325
Wine, Dealers in Foreign—					
Licensed to retail Beer and					
Spirits	2	4	1	45,166 „	99,553
Ditto Beer only.....	4	8	2½	71 „	313
Not licensed for Beer or					
Spirits	10	10	0	3,956 „	41,538
Grocers (in Scotland) sell-					
ing Wine not to be con-					
sumed on the premises,					
and licensed to retail Beer	4	8	2½	22 „	97
Ditto to retail Beer and					
Spirits	2	4	1	2,123 „	4,679
Year, Licences for less than a	<hr/>			<hr/>	42,022
Surcharges	<hr/>			<hr/>	48,412
Amount of shillings and pence					
omitted	<hr/>			<hr/>	32
Total Gross Produce in 1869-70					22,730,043
Ditto ditto 1868-9					21,323,848
Increase.....					£1,406,195

STAMPS.

	Duties.			Number, etc.,	Produce.
	£	s.	d.	Taxed.	£.
Admiralty Court Fee Stamps,					
varying from 1s. to	5	0	0	22,565	8,807
Bankers' Notes, from 5d. to...	0	8	6	36,550	1,492
Bankruptcy Court Fee Stamps,					
various rates,* from 1d. ...	<hr/>			67,954	27,553
Bills of Exchange (Inland),					
from 1d. to £2 for sums un-					
der £4000, with 10s. per					
£1000 above that amount...	<hr/>			5,540,973	384,692
Carried forward.....					£422,544

* These Stamps became revenue from October 1, 1869.

	Rates of Duty.	Number, etc.,	Produce
	£ s. d.	Taxed.	£.

Brought forward.....		422,544	
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Bills of Exchange (Foreign), from 1 <i>d.</i> to 5 <i>s.</i> under £500, with 1 <i>s.</i> per £100 additional; if drawn in sets, for every bill of each set from 1 <i>d.</i> to 13 <i>s.</i> 4 <i>d.</i> under £4000, and 3 <i>s.</i> 4 <i>d.</i> additional per £1000 above that sum	—	3,040,169	346,316
Bills and Notes, Composition for Duties—			
Bank of England, p. million	3500 0 0	}	131,958
Bank of Ireland, special ...	—		
Other Banks, per £100 half- yearly	0 3 6		
Cards, made for sale or use in England, per pack.....	0 0 3	984,240	12,303
Chancery Court Fee Stamps,* various, from 1 <i>d.</i>	—	229,479	64,602
Chancery Fund (Ireland), from 9½ <i>d.</i> to	4 11 0	18,368	4,519
Civil Bill Fund (Ireland), from 6 <i>d.</i> to	0 2 6	518,296	13,678
Common Law Court Fee Stamps, from 1 <i>d.</i> to	5 0 0	590,010	91,433
Companies Registration Fee Stamps, from 6 <i>d.</i> to	20 0 0	15,076	9,496
Copyhold, Enclosure, and Tithe Commission Fee Stamps, from 2 <i>s.</i> 6 <i>d.</i> to.....	5 0 0	6,054	9,011
‘Deeds and other Instruments not otherwise enumerated. Various rates of Duty.” ...	—	—	1,698,813
Divorce and Matrimonial Causes, England, from 6 <i>d.</i> to	1 0 0	16,304	3,244
Insurances, Fire,† per cent....	0 1 6	—	465,020
Carried forward.....		£3,272,937	

* These Stamps became revenue from October 1, 1869.

† Repealed from June 25, 1869.

	Rates of Duty.			Number, etc., Taxed.	Produce. £.
	£	s.	d.		
Brought forward.....				3,272,937	
Marine, £100 on voyage ...	0	0	3	} No account kept of num- ber of Stamps.	
For 6 months 3d., and not exceeding 12 months.....	0	0	6		86,936
Judgments Registry Fund (Ireland), from 4d. to	1	0	0	17,970	3,324
Land Registry Fee Stamps (England), varying from 4d. to	5	0	0	3,660	1,335
Law Fund (Ireland), from 4d. to	1	0	0	95,017	9,549
Legacies and Successions, from 1 to 10 per cent.....	—			124,905,638	2,970,769
Licences and Certificates, At- torneys, etc., in London, Dublin, and Edinburgh, per annum	9	0	0	} 13,597	90,679
Elsewhere	6	0	0		
(half only for first three years)					
Bankers, yearly.....	30	0	0	1,147	34,410
Conveyancers, London and Dublin	9	0	0	} 66	474
Elsewhere	6	0	0		
(half only first three years)					
Marriage from Registrars	0	10	0	8,333	4,166
Drivers of Public Carriages in London	0	5	0	12,413	3,103
Medicines, from 1½d. to	1	0	0	9,543,140	72,353
Newspapers (for post), 1d., Supplement, ½d.....	—			26,357,718	113,254
Patents for Inventions, from 2d. to	100	0	0	108,190	121,329
Plate, Gold, per oz.	0	17	0	} —	66,039
Silver, per oz.....	0	1	6		
Probate Court Fee Stamps, from 3d. to	10	0	0	403,413	146,082
Public Record, Fee Stamps, from 6d. to	1	0	0	3,267	720
Receipts, Drafts, and other Documents	0	0	1	146,049,640	608,540
Carried forward.....					£7,605,999

	Rates of Duty.			Number, etc., Taxed.	Produce. £.
	£.	s.	d.		
				Brought forward.....	7,605,999
Record of Title Fee Stamps (Ireland), from 1s. to.....	1	0	0	165	38
Registration of Deeds (Ireland) Fee Stamps, from 3d. to	10	0	0	50,479	11,355
Wills, Probates of, Letters of Administration, and Testa- mentary Inventories, Stamp Duty, varying from £2 to... between £100 & £1,000,000; and for every £100,000 be- yond, £1500 additional.	13,500	0	0	35,564	1,915,470
Letters of Administration without wills, from £3 to... between £100 & £1,000,000, with £2250 additional per additional £100,000.	20,250	0	0		
Amount of Shillings and Pence omitted					16
Total Gross Produce of Stamps in 1869-70					9,532,878
„ „ „ „ 1868-69					9,505,238
Increase					£27,640

*The Following appear to be some of the Duties lumped together
in the Parliamentary Returns :—*

ADMISSIONS.

	Duties.
In England or Ireland :—	
Admission to act as Advocate or Barrister	£50 0 0
„ Attorney or Proctor	25 0 0
„ Notary Public	30 0 0

	Duties.		
In Scotland :—			
Admission to act as Agent, Solicitor, or W.S.	25	0	0
„ Ditto, without indenture...	60	0	0
„ Do. do. in Supreme Courts, additional	30	0	0
„ Do. do. in inferior ditto, additional	25	0	0
To Fellowship of College of Physicians	25	0	0
To Degree of M.D. in Scotland	10	0	0
To Corporation by privilege	1	0	0
Ditto, on any other ground	3	0	0
To Church benefice in England or Ireland...	7	0	0
„ „ Scotland	2	0	0
To hold Perpetual Curacy	3	10	0
To be Non-resident.....	1	0	0
AGREEMENTS for £20 and upwards, per			
1080 words	0	2	0
If under hand only, ditto	0	0	6
Appraisements under £5	0	0	6
Increasing by 9 steps to.....	1	0	0
Apprentices' Indentures, if there be no premium	0	2	6
If premium be under £30	1	0	0
Increasing by 9 steps to.....	60	0	0
Articles of Clerkship to Attorneys, &c.			
In England and Ireland.....	80	0	0
In inferior Courts ditto	60	0	0
In superior „ Scotland.....	60	0	0
In inferior „ „	30	0	0
Bonds, Mortgages, and Warrants of Attorney			
if not above £50	0	1	3
Increasing with extra charges to	0	10	0
Conveyances, Leases, etc., with Fines—			
If sum paid be not above £5	0	0	6
Increasing by 15 steps to	1	10	6
With extra charges at £300 and upwards.			
Grants under Letters patent—			
„ for a Duke	350	0	0
„ „ Marquis	300	0	0
„ „ Viscount	200	0	0
„ Baron.....	150	0	0
„ Baronet.....	100	0	0
„ Archbishop, in Ireland	150	0	0

	Duties.
Bishop	100 0 0
Secretary of State	200 0 0
Leases without Fine—if Rent not above £5	0 0 6
Increasing to	0 10 0
With additions according to rent and length of term.	
Marriage Licences, ordinary	0 10 0
" " special	5 0 0

ASSESSED TAXES, ETC.

	Rates of Duty. £ s. d.	Quantities Taxed.	Produce. £
ARMORIAL Bearings, if assessed £3 10s., for any carriage at the rate of £3 10s.....	2 12 9	15,830	71,227
Other persons.....	0 13 2	44,638	
CARRIAGES with 4 wheels—			430,331
Drawn by 2 or more horses or mules	3 10 0	33,076	
Let for hire without horses	1 15 0	394	
Drawn by one horse or mule	2 0 0	73,925	
Let for hire without horses	1 0 0	516	
<i>With 4 wheels of less diameter than 30 inches—</i>			
Drawn by 2 or more ponies or mules	1 15 0	982	
Let for hire without horses	0 17 6	9	
Drawn by one pony or mule	1 0 0	14,115	
Let for hire without horses	0 10 0	43	
<i>With less than 4 wheels—</i>			
Drawn by two or more horses or mules	2 0 0	183	
Let for hire without horses	1 0 0	6	
Drawn by one horse or mule	0 15 0	158,459	
Let for hire without horses	0 7 6	439	

Carried forward.....£501,558

	Rates of Duty.	Quantities	Produce.
	£ s. d.	Taxed.	£
Brought forward.....			£501,558
Drawn by one pony or mule not exceeding 13 hands...	0 10 0	35,815	}
Let for hire without horses	0 5 0	12	
<i>Used by common carriers—</i>			
With 4 wheels	2 6 8	2,528	
With less than 4 wheels ...	1 6 8	4,352	}
Hair powder—for using or wearing	1 3 6	827	
Horse-dealers within bills of mortality.....	27 10 0	58	
Other	13 15 0	1,248	
HORSES and Mules, exceed- ing 13 hands for riding, or carriage, duty charged, each			
	1 1 0	201,733	}
Kept by farmers.....		126,321	
By bailiffs, shepherds, or herdsmen		4,253	
Rectors, Vicars, or Curates		4,458	
Roman Catholic Priests and Dissenting Ministers	0 10 6	479	}
Physicians, Surgeons, or Apothecaries		3,543	
Used in Trade		227,030	
By common carriers		12,787	
Under 13 hands for riding, or carriages, paying duty		68,247	}
Used in trade.....	0 5 3	24,889	
House duty, inhabited Shops { and Warehouses in			
the £	0 0 6	£8,453,784	}
Beersshops	0 0 6	£3,332,695	
Farm Houses	0 0 6	£645,919	
Dwelling „	0 0 9	£24,732,991	
SERVANTS—Male 18 years of age and upwards			
	1 1 0	180,091	}
Under 18 years	0 10 6	87,839	
Under gardeners	0 10 6	12,231	
Under Gamekeepers	0 10 6	4,693	
			244,462

Carried forward.....£2,894,076

Brought forward..... £2,894,076

LAND TAX.

Produce.
£

Lands and Tenements : various,* <i>not exceeding 4s. in the</i>	}	1,654,724
£, to produce the quota payable by each parish under the provisions of Acts 38 Geo. III. c. 5. and c. 60		
Offices and Pensions 1s. 6d. in the £		237
Carried forward.....		£4,549,037

* By the Act imposing this tax, (as some sort of compensation, it may be supposed, for the payments and obligations of which the landholders in Parliament had freed themselves and their brethren out of doors, giving to the Crown Excise Duties in lieu of them), it was obviously intended to be levied on increasing or decreasing, and not on stationary value at the time. In 1692, a new valuation was made, and certain payments were apportioned to each county and hundred, or other division. That valuation was said to be much below the mark. For upwards of a century the tax was made payable by annual Acts, and varied in amount from 1s. to 4s. in the pound, at which latter amount it was made permanent by the Act above cited, but only on the valuation of 1692, and subject to redemption by landholders at easy rates; a fraud on posterity to which Pitt resorted when he stood greatly in need of more money to waste on foreign wars. By the permanent arrangement in parts of the country where land has not increased in value since 1692, the tax is now actually four shillings in the pound, whilst in others, in and about Liverpool, Manchester, and Birmingham, for example, years pass before the fractions amount to sums collectable in copper coins.

Brought forward.....£4,549,037

INCOME TAX.

Schedule.		On Incomes of £100 and upwards with deduction of £60 on in- comes under £200.	Amount of Income Assessed. £
A.*	Lands, Tenements, etc., in the £ ...	0 0 5	133,478,032
	Occupation of lands—		
	In England.....	0 0 2½	30,256,227
	In Scotland and Ireland	0 0 1¾	7,107,318
B.	Nurseries and Mar- ket Gardens	0 0 5	82,309
	Composition for Tithes	0 0 1¾	1,920
C.	Annuities, Dividends, etc.	0 0 5	34,790,120
D.†	Professions, Trades, Employments, Railways Mines, Ironworks, etc. ...	0 0 5	161,594,118
E.	Public Offices.....	0 0 5	22,110,858
			<u>£389,420,902</u>
Amount of Shillings and Pence omitted.....			3
Total Land and Assessed Taxes in 1869-70			14,792,382
" " " 1868-69			12,242,101
Increase.....			<u>£2,550,281</u>

AGGREGATE INLAND REVENUE FOR FIVE YEARS.

(1866-1870).

EXCISE.			STAMPS.			TAXES.			TOTAL.		
£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
20,778,842	0	11½	9,847,196	1	1	9,843,449	6	9½	40,469,487	8	9½
21,514,131	6	8¾	9,601,104	10	8½	9,238,214	5	2½	40,353,450	2	7½
21,323,848	12	0½	9,737,573	8	11½	9,752,561	4	8	40,813,983	5	7½
21,084,865	8	8½	9,505,238	4	1¼	12,242,101	8	9¾	42,831,705	1	7½
22,730,043	2	9½	9,532,878	2	7½	14,792,382	3	2½	47,055,303	8	7½
107,431,230	11	2½	48,223,990	7	5¼	55,868,708	8	8	211,523,929	7	3½

AGGREGATE COLLECTION IN THE FOUR PREVIOUS YEARS.

	GROSS INCOME.				COST OF COLLECTION.				NET REVENUE.			
	1865-6.	1866-7.	1867-8.	1868-9.	1869-70.	1870-1.	1871-2.	1872-3.	1873-4.	1874-5.	1875-6.	1876-7.
Postage	£21,356,723	£22,355,859	£22,808,140	£22,585,529	£21,676,425	£21,676,425	£21,676,425	£21,676,425	£21,676,425	£21,676,425	£21,676,425	£21,676,425
Excise	20,778,842	21,514,131	21,323,849	21,084,365	22,730,043	22,730,043	22,730,043	22,730,043	22,730,043	22,730,043	22,730,043	22,730,043
Stamps	9,847,196	9,601,105	9,737,573	9,505,238	9,532,878	9,532,878	9,532,878	9,532,878	9,532,878	9,532,878	9,532,878	9,532,878
Taxes	9,843,449	9,238,214	9,752,561	12,242,101	14,792,382	14,792,382	14,792,382	14,792,382	14,792,382	14,792,382	14,792,382	14,792,382
Post Office	4,361,878	4,511,574	4,558,962	4,553,581	4,771,991	4,771,991	4,771,991	4,771,991	4,771,991	4,771,991	4,771,991	4,771,991
Totals	£66,188,088	£67,220,883	£68,181,085	£69,970,814	£73,503,719	£73,503,719	£73,503,719	£73,503,719	£73,503,719	£73,503,719	£73,503,719	£73,503,719

GENERAL SUMMARY OF TAXES AND IMPOSTS FOR FIVE YEARS.

	1865-6.	1866-7.	1867-8.	1868-9.	1869-70.	AGGREGATE TOTALS.
Customs	£21,356,723	£22,355,859	£22,808,140	£22,585,529	£21,676,425	£110,782,676
Excise	20,778,842	21,514,131	21,323,849	21,084,365	22,730,043	107,431,230
Stamps	9,847,196	9,601,105	9,737,573	9,505,238	9,532,878	48,223,990
Taxes	9,843,449	9,238,214	9,752,561	12,242,101	14,792,382	55,868,707
Post Office	4,361,878	4,511,574	4,558,962	4,553,581	4,771,991	22,757,986
Totals	£66,188,088	£67,220,883	£68,181,085	£69,970,814	£73,503,719	£345,064,589

FISCAL AND COMMERCIAL STATISTICS.

I.—PUBLIC INCOME AND EXPENDITURE FROM 1800-1
TO 1869-70.*At Decennial Periods.*

INCOME.

Year.	From Customs. £	From Excise. £	From all other Sources. £	Total Income. £
1800.....	6,788,206	10,840,406	16,516,972	34,145,584
1810.....	10,876,273	24,767,772	31,500,497	67,144,542
1820.....	9,837,279	27,929,832	16,287,644	54,054,755
1830.....	17,540,322	18,644,384	13,871,910	50,056,616
1840.....	21,784,499	13,751,968	12,031,098	47,567,565
1850.....	20,442,170	14,316,083	18,052,427	52,810,680
1860.....	23,305,776	19,435,000	27,542,898	70,283,674
1870.....	21,449,843	21,879,238	32,345,115	75,674,196

EXPENDITURE.

Year.	National Debt. £	Army,* Militia, &c. £	Navy. £	Civil + Services. £	Total Expenditure. £
1800.....	17,381,473	21,410,209	14,725,909	2,938,421	56,456,012
1810.....	24,246,948	27,847,222	20,021,512	4,682,661	76,798,343
1820.....	31,157,847	10,037,106	6,387,799	4,416,507	51,999,259
1830.....	29,118,858	8,605,071	5,309,605	4,109,409	47,142,943
1840.....	29,381,718	8,521,907	5,597,511	5,660,400	49,161,536
1850.....	28,091,589	8,955,060	6,437,883	6,747,342	50,231,874
1860.....	26,231,018	18,013,896	13,331,668	15,265,477	72,842,059
1870.....	27,053,560	15,065,400	9,757,290	17,276,092	69,152,342

* Including Fortifications and Abyssinia.

† Including Collection of Revenue.

II.—AGGREGATE FOR THE SEVENTY YEARS, TO MARCH 31, 1870.

INCOME.		EXPENDITURE.	
	£		£
From Customs		Interest, &c., of Na-	
Duties.....	1,132,748,210	tional Debt.....	1,904,305,989
From Excise Duties	1,275,595,758	On Army, Militia, &c.	1,001,031,316
		On Navy	683,503,462
Total Burden on		Total for War Debt	
Trade, Industry,		and War.....	3,588,840,767
and the Poor.....	2,408,343,968	Civil Services	560,500,867
From all other		Total Expenditure .	4,149,341,634
Sources	1,397,229,538	Total Income.....	3,805,573,506
		Excess of Expendi-	
Total Income.....	3,805,573,506	ture	343,768,128

III.—GROSS INCOME & EXPENDITURE FOR EIGHTEEN YEARS, FROM 1851-2 TO 1869-70, INCLUSIVE.

INCOME.		EXPENDITURE.	
	£		£
Customs	439,154,342	Interest and Man-	
Excise	355,083,934	agement of Debt	524,612,715
		Army, Militia, &c.	301,642,768
Total Customs and		Navy	212,606,095
Excise	794,238,276	Fortifications *	5,755,000
Income Tax.....	175,405,228	Total for War and	
Stamps.....	159,627,651	Debt	1,044,616,578
Land and Assessed		Civil Services	186,625,256
Taxes	64,282,025	Collection of Re-	
Post Office	64,616,516	venue	86,359,497
Crown Lands	5,965,549	Total Civil Services	272,984,753
Miscellaneous	38,532,382	Total Expenditure	1,317,601,331
		Total Income.....	1,302,667,627
	508,429,351	Excess of Expendi-	
		ture.....	14,933,704
	1,302,667,627		

* Provided for by Annuities.

IV.—SOURCES OF INCOME DURING EIGHTEEN YEARS.

CUSTOMS.

	£
Tobacco and Snuff.....	107,771,604
Sugar, Molasses, &c....	104,570,104
Tea	88,945,372
Spirits.....	58,099,124
Wine	30,018,406
Corn, Meal, and Flour*	11,682,185
Coffee	8,350,148
All other imported Articles	27,327,345
Miscellaneous Receipts	2,722,467
Total Customs	439,486,755

EXCISE.

	£
Spirits.....	174,318,489
Malt	114,555,283
Licences	34,428,466
Other Receipts	31,729,512
Total Excise	355,031,750

STAMPS.

	£
Deeds and other In- struments	27,554,362
Probates and Letters of Administration ...	25,721,013
Legacies and Succes- sions	40,852,145
Fire Insurances.....	24,311,727
Marine	5,703,761
Bills of Exchange, Composition, &c. ...	13,522,605
Penny Receipts, Drafts, &c.....	7,558,864
Other Receipts	14,472,944
Total Stamps.....	159,697,421

TAXES.

	£
Income Tax	175,340,639
Land and Assessed Taxes	64,259,919
Total Taxes	239,600,558

POST OFFICE AND CROWN LANDS.

	£
Post Office.....	64,715,286
Crown Lands.....	5,892,826
Total	70,608,112

RECAPITULATION OF TABLE III.

	£
Customs	439,154,342
Excise.....	355,083,934
Income Tax	175,405,228
Stamps	159,627,651
Land and Assessed Taxes	64,282,025
Post Office	64,616,516
Crown Lands.....	5,965,549
Miscellaneous	38,532,382

Total Income	1,302,667,627
---------------------------	----------------------

* Duties repealed, and Bread Tax really abolished from June 1, 1869.

V.—HOW THE MONEY WAS GOT IN 1850, AND THE FOUR LAST FINANCIAL YEARS.

	1850.	1867.	1868.	1869.	1870.
Customs	£22,265,158	£22,299,066	£22,664,980	£22,422,472	£21,449,843
Excise	14,965,525	20,708,322	20,190,338	20,475,740	21,879,238
Stamps	7,014,440	9,365,665	9,475,177	9,241,450	9,288,553
Income Tax.....	5,585,594	5,637,294	6,184,166	8,623,508	10,108,589
Land Tax.....	4,485,033	1,111,749	1,092,695	1,117,570	1,627,883
Assessed Taxes		2,367,211	2,360,302	2,369,336	2,895,123
Post Office	2,156,563	4,511,573	4,558,962	4,553,581	4,671,230
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Crown Lands	56,472,313	66,000,880	66,526,620	68,803,657	71,920,459
Miscellaneous	160,000	432,522	449,252	446,174	447,723
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Totals	57,385,658	69,506,969	69,562,090	72,605,823	75,674,196

VI.—HOW THE PUBLIC MONEY WENT IN THOSE YEARS.

	1850.	1867.	1868.	1869.	1870.
Interest, &c. of National Debt.....	£28,323,961	£26,081,778	£26,571,750	£26,618,326	£27,053,560
Army } including all Military and Naval	8,881,140	14,675,540	15,418,582	15,000,000	13,565,400
Navy } Charges	6,942,397	10,676,101	11,168,949	11,366,545	9,757,290
Fortifications .....	.....	450,000	530,000	525,000	200,000
Abyssinian War.....	.....	.....	2,000,000	5,000,000	1,300,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Civil Charges.....	44,147,498	51,883,419	55,689,281	58,509,871	51,876,250
Collection of Revenue	6,978,808	10,523,019	11,193,757	11,966,643	11,033,147
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,161,226	4,823,958	4,883,204	5,021,302	6,242,945
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	55,287,532	67,230,396	71,766,242	75,497,816	69,152,342

VII.—IMPERIAL AND LOCAL TAXATION.

The Amount levied for Expenditure connected with the Relief of the Poor, County and Borough Police, Roads and Bridges, Drainage and Lighting of Towns in the year 1870, is estimated as follows:—England and Wales, £20,500,000; Scotland, £2,000,000; Ireland, £2,500,000; total, £25,000,000; making, with the Imperial Taxation about £100,500,000, or £3. 5s. per head for every man, woman, and, child of the population.

VIII.—THE NATIONAL DEBT.

The fiscal monster, which, as will be seen from Table II., has swallowed upwards of Nineteen Hundred Millions during the present Century, owes its origin to Indirect Taxation, and “the Balance of Power.” From the Norman Conquest up to the Accession of Charles II., the country contrived to fight and pay its way, because its revenue was derived from lands reserved to the Crown, and lands allotted on condition of feudal service, and feudal payments from the allottees strictly in the nature of Rent; and occasional direct levies on the community generally, duties on commodities being almost entirely unknown. As a condition of his Restoration, probably, Charles II. did away with these feudal obligations and payments, and his Parliament of *Landholders*, converting themselves into *Landowners*, gave his Majesty and his successors excise duties on Beer, &c., payable by the people, in compensation. Never was grosser fraud practised on any nation, unless it were that which converted the Land Tax of four shillings in the pound on the full annual value, enacted in a subsequent reign, into one of that amount on the value as it stood in 1692, according to which the Tax now realizes in some parts of the kingdom, Liverpool, for instance, less than a farthing in the pound. The “Merry Monarch” contrived to overrun his means to the extent of upwards of Half a Million, but the debt was called “the King’s,” not that of the nation. It was somewhat increased by his successor; but with William III. came the notion that it was the function of this country to maintain “the Balance of Power in Europe,” and hence arose the Funding System which was a mortgaging of taxes; a conversion of “King’s Debt” into the “National Debt;” and a very rapid growth of the latter. The following is a history of its progress:—

Year.	£
1688 .....The King's Debt at the Accession of William III.	664,263
1702.....The National Debt	12,767,225
1714 " " " George I.....	36,175,460
1727..... " " " George II.	52,523,023
1760..... " " " George III.	102,014,019
1820..... " " " George IV.	834,900,960
1830..... " " " William IV.	784,803,997
1837..... " " " Victoria	787,529,114
1870... { Funded £740,789,548—Unfunded £6,761,500 }	800,681,428
{ Estimated Capital of Annuities £53,130,380 }	

IX.—ANNUAL CHARGE FOR DEBT.

	In 1792. £	In 1816. £	In 1846. £
Interest and Management of Funded } Debt	7,817,750	28,563,592	23,739,573
Ditto of Unfunded Debt	346,713	1,998,937	421,432
Terminable Annuities	1,307,212	1,894,612	3,916,982
Total Charge.....	9,471,675	32,457,141	28,077,987

	In 1856. £	In 1866. £	In 1870. £
Interest and Management of Funded } Debt	23,378,634	23,542,594	22,427,854
Ditto of Unfunded Debt	870,284	328,800	252,951
Terminable Annuities	3,863,907	2,361,894	4,365,848
Total Charge.....	28,112,825	26,233,288	27,046,653

X.—TOTAL AMOUNT OF DEBT AT THE END OF EACH FINANCIAL YEAR,

[Funded, Unfunded, and Capital of Annuities.]

£	£
1855.....805,411,690	1863.....820,518,866
1856.....833,857,515	1864.....817,007,652
1857.....835,676,254	1865.....811,919,165
1858.....829,634,258	1866.....806,935,963
1859.....827,077,627	1867.....805,019,317
1860.....821,936,564	1868.....805,918,231
1861.....820,756,349	1869.....804,785,556
1862.....820,159,114	1870.....800,681,428

XI.—TAXES REPEALED OR REDUCED, AND IMPOSED FROM 1840 TO 1869.

	Repealed or Reduced.	Imposed.	Reduction.	Increase.
	£	£	£	£
Customs	23,864,803	4,516,558	19,348,245	.....
Excise	7,334,000	8,687,804	.....	1,353,804
Income Tax.....	20,315,000	22,764,000	.....	2,449,000
Stamps	3,502,381	2,616,687	885,694	.....
Other Taxes ...	3,594,742	911,447	2,683,295	.....
Postage	1,240,000	118,567	1,121,433	.....
	<u>59,850,926</u>	<u>39,615,063</u>	<u>24,038,667</u>	<u>3,802,804</u>
Net Reduction...	£20,235,863			

XII.—PROGRESS OF FOREIGN TRADE.

At the commencement of the period embraced in the foregoing table, viz.:—the year ending January 5, 1841, the gross produce of Customs and Excise Duties was £38,127,406. The Customs Tariff then comprised some 1,200 articles of import subject to duty: it now consists of about a score. The Excise Tariff included many articles now happily liberated, such as bricks, glass, candles, soap, paper, &c., &c., &c. In the interim, Custom Duties have been repealed or reduced to the amount of £19,348,245; Excise Duties increased to that of £1,353,804, leaving a net reduction of £17,994,441. The produce of both in the year ended the 31st of March last was £43,292,000, an increase of £5,164,594, compared with their yield in 1840, showing an actual recovery of £24,512,839 from the partial liberation of Trade, and affording the greatest possible encouragement to further progress in the same direction, of which proofs may be gathered from the following tables:—

	Before and after Peel's Tariff Reforms.		
	Imports.	Exports.	Total.
	£	£	£
1840	62,004,000	110,128,716	172,132,716
1850	152,389,053	115,821,092	268,210,145
Increase.....	<u>90,385,053</u>	<u>5,692,376</u>	<u>96,077,429</u>

	Before and after French Commercial Treaty.		
	Imports. £	Exports. £	Total. £
1860	210,530,873	164,521,351	375,052,224
1869	295,428,967	237,106,325	532,535,292
Increase	84,898,094	72,584,974	157,483,068

The increase of imports was therefore 145 per cent. ; that of Exports 5 per cent., and that of Imports and Exports 55 per cent. in the first 10 years ; of Imports 239 per cent. ; of Exports 49 per cent. ; and of Imports and Exports 117 per cent. in 20 years ; and of Imports 376 per cent. ; of Exports 115 per cent. ; and of Imports and Exports 209 per cent. in 29 years.

XIII.—FOOD IMPORTED IN 1840 AND IN 1869.

	Quantity. 1840.	Value. £
Animals living, viz. :—		
Oxen, Bulls, Cows, and Calves	prohibited	.....
Sheep and Lambs	prohibited	.....
Bacon and Hams	6,180	14,657
Beef	prohibited	.....
Butter	252,661	934,846
Cheese	226,462	424,616
Cocoa and Chocolate	3,499,746	73,168
Coffee	70,250,766	2,129,114
Corn :—Wheat	8,637,993	5,880,480
Other kinds	6,416,258	2,171,691
Flour and Meal	1,546,523	1,391,653
Currants	221,119	589,651
Eggs	No. 96,149,160	220,342
Fish	lbs. prohibited	.....
Lard	cwts. 92	258
Oranges and Lemons	not specified	150,137
Pork :—Fresh	cwts. prohibited	.....
Salted	29,532	58,818
Potatoes	2,293	516
Raisins	224,781	298,772
Rice	443,918	277,449
Sugar :—Raw	4,035,844	9,053,770
Refined and Candy	17,388	25,809
Molasses and Juice	458,631	600,949
Tea	lbs. 28,021,882	3,502,735
Total value		£27,799,431

	Quantity. 1869.	Value. £
Animals living, viz. :—		
Oxen, Bulls, Cows, and Calves .....No.	220,190	3,833,850
Sheep and Lambs..... „	709,843	1,219,014
Bacon and Hams .....cwts.	740,194	2,432,260
Beef..... „	229,223	420,338
Butter..... „	1,259,089	6,923,210
Cheese..... „	979,189	3,083,850
Cocoa and Chocolate lbs.	13,045,991	320,916
Coffee „	173,416,332	4,927,805
Corn :—Wheat .....cwts.	37,695,828	19,515,758
Other kinds..... „	33,364,643	14,032,021
Flour and Meal „	5,401,555	3,799,579
Currants..... „	944,489	1,166,905
Eggs No.	442,175,040	1,126,853
Fish .....cwts.	629,341	631,109
Lard „	255,964	930,156
Oranges and Lemons .....bush.	1,939,363	927,804
Pork :—Fresh .....cwts.	187,874	575,825
Salted „		
Potatoes „	1,660,189	392,677
Raisins „	397,846	769,850
Rice..... „	5,327,276	2,937,631
Sugar :—Raw „	11,033,653	13,540,017
Refined and Candy „	1,068,940	1,774,858
Molasses and Juice „	951,730	602,610
Tea „	139,223,298	10,311,465
		£96,196,361
Value in 1840.....		27,799,431
Increase in 1869		£68,396,930

Sir Stafford Northcote's return, No. 469, of Session 1863, from which the figures for 1840 are taken, includes Pigs amongst the things prohibited in that year; and they are not mentioned either in the Finance Accounts or the Statistical Abstract for 1868. All the articles above enumerated were duty free in 1869, excepting Cocoa, Coffee, Corn, Currants, Raisins, Sugar, and Tea; and Corn, with its tail of 36 other farinaceous substances, were happily enfranchised by Mr. Lowe, in the Session of 1869.

XIV.—IMPORT DUTIES REPEALED FROM 1850 TO 1860 INCLUSIVE.

Compiled from return, No. 144, of last Session, “specifying the Articles upon which Import Duties were repealed between the years 1850 and 1869, together with the amount of Duty received upon each Article in the year preceding its repeal;” furnished on the motion of Lord John Manners, and ordered to be printed August 3rd, 1870.

1850 }	Nil.		
1851 }			
1852 }			
1853—		Coir rope, twine and strands ; copper, ore, regulus, &c. ; fish of all sorts ; glass manufactures, except window glass ; hams ; lead, pig and sheet ; linen manufactures ; mats and matting ; metal leaf, not gold ; oil of turpentine ; pictures ; poultry and game ; seeds, clover, grass, trefoil, &c. ; tin in blocks, ingots, bars, or slabs ; and “other articles, on each of which the receipt of duty was less than £1,000”	Amount of duties received in year preceding. £83,971
1854 }	Nil.		
1855 }			
1856 }			
1857—		Glass window (plain or stained of one colour only), shades and cylinders, and liquorice root, £124	2,198
1858 }	Nil.		
1859 }			
1860—		Almonds, sweet ; apples, &c., raw ; arms, swords, cannons, &c. ; baskets ; bronze manufactures ; butter ; caoutchouc manufactures ; cheese ; china or porcelain ware ; clocks and watches ; cloves ; cotton manufactures ; dates ; eggs ; embroidery and needle work ; feathers dressed ; flowers, artificial ; fruit, raw, unenumerated ; ginger ; glass, flint, cut or ornamented ; iron, wrought or manufactured ; lace ; leather, boots, shoes, pants, and gloves ; liquorice, juice and paste ; lucifers, of wood ; mace ; musical instru-	

ments ; nutmegs ; nuts, small, and walnuts ; oils, chemical, essential, and perfumed ; onions ; opera glasses ; opium ; oranges and lemons ; platting for hats or bonnets ; rice, seeds, caraway, &c. ; silk manufactures ; tallow ; toys ; woollen and worsted yarn ; manufactured goods unenumerated, and "other articles on each of which the receipt of duty was less than £1,000."

£981,250

1861—Hats or bonnets of straw, chip, bast, cane, or horsehair ; and paper, books and prints.....

34,169

1862—Hops.....

98,904

1863—Charges on Import Entries, and Bills of Lading ...

180,720

1864 } Nil.
1865 }

1866—Pepper ; timber and wood ; ships, foreign and colonial, built of wood, on registration as British, £7,070

445,462

1867 } Nil.
1868 }

1869—Corn, grain, meal, and flour ; arrowroot, potatoe flour, sago, and other farinaceous substances charged with the same duty £8,855.....

864,436

Total..... £2,691,110

XV.—QUANTITIES OF WHEAT, WHEAT FLOUR, AND OTHER GRAIN IMPORTED INTO THE UNITED KINGDOM.

AT TRIENNIAL PERIODS, FROM 1840 TO 1869 INCLUSIVE.

(Compiled from the *Statistical Abstract*.)

	Wheat and Wheat Flour.	Barley.	Oats.	Maize or Indian Corn.	Rye.	Buck Wheat.	Bere or Bigg.	Pearl.	Beans.	Total of all kinds.
	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.	Cwts.
1840.	10,560,290	2,332,707	1,487,024	99,703	13,804	2,732	...	713,187	554,653	15,764,100
1843.	4,619,917	640,986	2,231,888	2,216	20,184	7	...	217,363	205,646	5,887,507
1846.	10,195,930	1,324,432	2,170,682	3,024,583	7,300	81,954	...	956,781	1,093,059	18,855,021
1849.	20,850,604	4,932,172	3,484,541	9,533,396	996,569	1,996	...	1,054,647	1,963,570	43,818,626
1852.	18,092,627	2,234,071	2,730,539	6,305,472	41,292	28,871	...	478,773	1,589,623	31,491,968
1855.	13,940,322	1,246,822	2,842,749	5,208,570	9,769	1,214	...	510,655	1,478,349	25,246,465
1858.	23,300,941	5,933,543	5,104,773	7,503,536	428,873	13,022	...	710,888	1,765,847	44,064,548
1861.	37,646,765	5,001,482	5,114,398	13,244,366	224,298	2,550	...	1,799,095	2,402,276	65,436,977
1864.	28,837,203	4,921,862	5,562,959	6,285,938	476,381	4,883	...	1,114,083	909,270	48,137,480
1867.	39,136,780	5,683,721	9,407,136	8,540,429	100,457	348,388	...	1,586,129	1,982,615	66,789,024
1869.	44,447,772	8,053,660	7,916,870	17,664,113	161,630	54,883	...	1,054,387	1,897,220	81,280,534
Totals, 1840 to 1869 inclusive.	94,333,317	16,876,443	14,852,196	25,914,926	822,328	187,560	4,990	5,519,168	9,099,729	167,610,657
1849 to 1869 inclusive.	583,018,433	109,734,692	103,045,585	183,352,195	5,380,673	1,080,475	103,131	19,234,121	35,616,246	1,040,565,491
For the whole period.	677,351,750	126,611,135	117,897,781	209,267,061	6,203,001	1,268,035	108,131	24,753,289	44,715,975	1,208,176,148

XVI.—AVERAGE ANNUAL GAZETTE PRICES OF BRITISH WHEAT, BARLEY AND OATS PER IMPERIAL QUARTER.

FROM 1800 TO 1869 INCLUSIVE.

Wheat, Barley, Oats.						Wheat, Barley, Oats.						Wheat, Barley, Oats.						Wheat, Barley, Oats.																
s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.	s.	d.					
1800	113	10	59	10	39	4	1814	74	4	37	4	25	8	1828	60	5	32	16	23	0	1842	57	3	27	6	19	3	1856	69	2	41	1	25	2
1801	119	6	68	6	37	0	1815	65	7	30	3	23	7	1829	66	3	32	6	22	9	1843	50	1	29	6	18	4	1857	56	4	42	1	25	0
1802	69	10	33	4	20	4	1816	78	6	33	11	27	2	1830	64	3	32	7	24	5	1844	51	3	33	8	20	7	1858	44	2	34	8	24	6
1803	58	10	25	4	21	6	1817	96	11	49	4	32	5	1831	66	4	38	0	25	4	1845	50	10	31	8	22	6	1859	43	9	33	6	23	2
1804	62	3	31	0	24	3	1818	86	3	53	10	32	5	1832	58	8	33	1	20	5	1846	54	8	32	8	23	8	1860	53	3	36	7	24	5
1805	89	9	44	6	28	4	1819	74	6	49	9	28	2	1833	52	11	27	6	18	5	1847	69	9	44	2	28	8	1861	55	4	36	1	23	9
1806	79	1	38	8	27	7	1820	67	10	33	10	24	2	1834	46	2	29	0	11	1	1848	50	6	31	6	20	6	1862	55	5	35	1	22	7
1807	75	4	39	4	28	4	1821	56	1	26	0	29	6	1835	39	4	29	11	22	0	1849	44	3	27	9	17	6	1863	44	9	33	11	21	2
1808	81	4	43	4	33	4	1822	44	7	21	10	28	1	1836	48	6	32	10	23	1	1850	40	3	23	5	16	5	1864	40	2	29	11	20	1
1809	97	4	47	0	31	5	1823	53	4	36	6	22	11	1837	55	10	30	4	23	1	1851	38	6	24	9	18	7	1865	41	10	29	9	21	10
1810	106	5	48	1	28	7	1824	63	11	36	4	24	10	1838	64	7	31	9	22	5	1852	40	10	28	6	19	1	1866	49	11	37	5	24	7
1811	95	3	42	3	27	7	1825	68	6	40	0	25	8	1839	70	8	39	6	25	11	1853	55	3	33	2	21	0	1867	64	5	40	0	26	0
1812	126	6	66	9	44	6	1826	58	8	34	4	26	8	1840	66	4	36	5	25	8	1854	72	5	36	0	27	11	1868	63	9	43	0	28	1
1813	109	9	58	6	38	6	1827	58	6	37	7	28	2	1841	64	4	32	10	22	5	1855	74	8	34	9	27	5	1869	48	2	39	5	26	0

XVII.—ASSESSMENTS TO INCOME TAX FOR THE LAST FIVE YEARS.

(Compiled from Mr. Baines's Return, No. 454, Session 1870, with final summary added thereto.)

	ENGLAND.			WALES.			SCOTLAND.		
	A	B	D	A	B	D	A	B	D
1865-66	£129,158,039	£43,626,305	£113,768,197	£25,986,423	£2,801,839	£1,833,743	£16,593,664	£6,849,704	£12,903,773
1866-67	106,254,907	43,681,898	144,110,576	4,111,993	2,818,982	3,568,146	13,309,634	6,964,704	17,676,994
1867-68	117,777,463	44,759,267	144,030,057	4,563,924	2,810,777	3,546,183	13,898,127	7,186,295	16,561,983
1868-69	113,308,872	44,909,693	145,845,267	4,598,464	2,809,950	3,606,082	14,116,408	7,216,988	16,075,393
1869-70	112,922,994	43,268,632	146,315,717	4,599,918	2,719,926	3,554,046	14,291,389	7,194,579	16,623,107

* Diminution and Increase accounted for by the fact that Railways, Mines, Iron Works, Canals, Gas Works, &c. &c., were transferred from Schedule A to Schedule D, from April 5th in the preceding fiscal year.

SEPARATE TOTALS FOR GREAT
BRITAIN.

AGGREGATE TOTALS OF THE THREE
SCHEDULES.

	A	B	D	A, B, & D	
1865-66	£151,738,126	£53,277,848	£128,505,713	£333,521,687	1865-66
1866-67	*124,066,534	53,465,584	*165,355,716	342,887,834	1866-67
1867-68	130,239,514	54,796,339	164,138,223	349,174,076	1867-68
1868-69	132,023,744	54,936,631	165,526,682	352,487,057	1868-69
1869-70	131,884,301	53,183,137	166,492,870	351,560,308	1869-70

TAXATION AS IT IS.

ESTIMATED POPULATION AT THE MIDDLE OF EACH YEAR.

(Exclusive of Soldiers, Sailors, and Merchant Seamen abroad.

	England and Wales.		Scotland.		Ireland.		United Kingdom.	
	Increase.		Increase.		Decrease.		Increase.	
1840	15,730,813		2,600,692		8,155,521		26,487,026	
1862	20,336,467	4,605,654	3,083,989	483,297	5,784,527	2,370,994	29,204,983	2,717,957
1863	20,554,137	217,670	3,101,345	17,356	5,739,569	44,958	29,395,051	190,068
1864	20,772,308	218,171	3,118,701	17,356	5,675,307	64,262	29,566,316	171,265
1865	20,990,946	218,638	3,136,057	17,356	5,641,086	34,221	29,768,089	201,773
1866	21,210,020	219,074	3,153,413	17,356	5,582,625	58,461	29,946,058	177,969
1867	21,429,508	219,488	3,170,769	17,356	5,557,196	25,429	30,157,473	211,415
1868	21,649,377	219,869	3,188,125	17,356	5,543,285	13,911	30,380,787	223,314
1869	21,869,607	220,230	3,205,481	17,356	5,536,217	7,068	30,611,305	230,518
1870	22,090,163	220,556	3,222,837	17,356	5,525,210	11,007	30,838,210	226,905
Increase since 1840		6,359,350		622,145		2,630,311		4,351,184

STATISTICAL ABSTRACT.

PUBLIC REVENUE, EXPENDITURE, &c.

The following Statistical Abstracts will bring the Revenue and Expenditure, etc., of this Country to the present time, sufficiently before the reader for all the purposes of these pages. Nor is it unimportant for those who enter into the consideration of the changes here proposed, that they should be previously well acquainted with these figures, which are taken from the Government Accounts, and, at least, represent so much money taken from the pockets of the people, if nothing more which can be relied on.

No. I.—Total Amount of the Estimated and Actual Public Revenue and Expenditure of the United Kingdom, with the difference between the Estimated and Actual Amounts, and the Surplus or Deficiency of Income.

(In this table, in accordance with the system upon which the Budget Estimates have been framed, the figures for the Revenue and Expenditure show the Net amounts up to the year ended 31st March, 1856, and the Gross amounts after that period.)

Years ended.	Revenue.			Proportion of Receipts per Head of Population of United Kingdom.	Expenditure.			Proportion of Payments per Head of Population of United Kingdom.	Surplus (+) or Deficiency (-) of Income (excluding Fortifications. <i>Vide</i> page 7).
	Estimated in the Budgets.	Receipts at the Exchequer.	More (+) or less (-) than Budget.		Estimated in the Budgets (including Votes as per Appropriation Act).	Payments out of the Exchequer (excluding Fortifications. <i>Vide</i> p. 7).	More (+) or less (-) than Budget.		
NET AMOUNTS (exclusive of Charges for Collection of Revenue, etc.)									
1855, 31 March .	£ 59,496,000	£ 59,496,154	+ 154	£ s. d. { 2 3 0 } { * 2 5 6 }	£ 63,039,000	£ 65,692,982	+ 2,653,982	£ s. d. { 2 7 6 } { * 2 10 0 }	£ - 6,196,808
1856 "	£ 67,139,000	£ 65,704,491	-1,434,509	£ s. d. { 2 7 3 } { * 2 10 7 }	£ 86,034,000	£ 88,428,345	+ 2,394,345	£ s. d. { 3 3 7 } { * 3 6 11 }	£ - 22,723,554
GROSS AMOUNTS (including Charges for Collection of Revenue, etc.)									
1857 "	£ 71,740,000	£ 72,334,062	+ 591,062	£ s. d. { 2 12 1 } { 2 8 3 }	£ 81,113,000	£ 75,588,067	- 5,524,933	£ s. d. { 2 14 4 } { 2 8 5 }	£ - 3,254,005
1858 "	£ 66,365,000	£ 67,881,513	+ 1,516,513	£ s. d. { 2 6 3 } { 2 9 10 }	£ 65,434,000	£ 68,128,859	+ 2,694,859	£ s. d. { 2 5 8 } { 2 8 8 }	£ - 247,346
1859 "	£ 63,920,000	£ 65,477,244	+ 1,557,244	£ s. d. { 2 9 10 } { 2 8 11 }	£ 63,610,000	£ 64,663,882	+ 1,053,882	£ s. d. { 2 5 8 } { 2 10 8 }	£ 813,402
1860 "	£ 69,460,000	£ 71,089,669	+ 1,629,669	£ s. d. { 2 8 3 } { 2 8 11 }	£ 69,207,000	£ 69,502,289	+ 295,289	£ s. d. { 2 8 8 } { 2 9 11 }	£ + 1,587,380
1861 "	£ 72,248,000	£ 70,283,674	-1,964,326	£ s. d. { 2 8 3 } { 2 8 11 }	£ 73,691,000	£ 72,792,059	- 898,941	£ s. d. { 2 10 8 } { 2 9 11 }	£ - 2,508,385
1862 "	£ 70,283,000	£ 69,674,479	- 608,521	£ s. d. { 2 8 3 } { 2 8 11 }	£ 71,487,000	£ 71,116,485	- 370,515	£ s. d. { 2 8 2 } { 2 8 2 }	£ - 1,442,006
1863 "	£ 70,956,000	£ 70,608,561	- 347,439	£ s. d. { 2 7 9 } { 2 7 7 }	£ 70,108,000	£ 69,302,008	- 805,992	£ s. d. { 2 6 2 } { 2 5 4 }	£ + 1,301,553
1864 "	£ 68,171,000	£ 70,208,964	+ 2,037,964	£ s. d. { 2 7 7 } { 2 6 5 }	£ 68,283,000	£ 67,056,286	- 1,226,714	£ s. d. { 2 6 2 } { 2 4 11 }	£ + 3,152,678
1865 "	£ 67,128,000	£ 70,313,437	+ 3,185,437	£ s. d. { 2 6 5 } { 2 6 5 }	£ 67,249,000	£ 66,462,207	- 786,793	£ s. d. { 2 5 4 } { 2 4 8 }	£ + 3,851,230
1866 "	£ 66,392,000	£ 67,812,292	+ 1,420,292	£ s. d. { 2 6 5 } { 2 6 2 }	£ 67,031,000	£ 65,914,857	- 1,116,143	£ s. d. { 2 4 11 } { 2 7 7 }	£ + 1,897,935
1867 "	£ 67,013,000	£ 69,434,568	+ 2,421,568	£ s. d. { 2 6 2 } { 2 9 3 }	£ 67,031,000	£ 66,780,396	- 250,604	£ s. d. { 2 4 11 } { 2 7 7 }	£ + 2,654,172
1868 "	£ 69,970,000	£ 69,600,218	- 369,782	£ s. d. { 2 6 2 } { 2 9 3 }	£ 71,287,000	£ 71,236,242	- 50,758	£ s. d. { 2 7 7 } { 2 9 8 }	£ - 1,636,024
1869 "	£ 73,150,000	£ 72,591,991	- 558,009	£ s. d. { 2 7 9 } { 2 9 3 }	£ 73,352,000	£ 72,069,961	- 1,282,039	£ s. d. { 2 9 8 } { 2 4 9 }	£ - 2,380,825
1870 "	£ 73,515,000	£ 75,434,252	+ 1,919,252	£ s. d. { 2 6 2 } { 2 9 3 }	£ 69,498,000	£ 68,864,752	+ 633,248	£ s. d. { 2 4 9 } { 2 9 8 }	£ + 6,569,500

* Proportion of Gross Amounts per head of population, calculated upon totals in Tables Nos. II. and III.

† 1859-60. — Including £858,057 for operations in China.

‡ 1865-66. — Including £764,829 for war in New Zealand.

§ Including additional Income Tax, £840,000, imposed in December, 1867.

|| Including Supplemental Votes for Abyssinian Expedition (£2,000,000), and other services (£362,000).

** Supplemental Votes at the end of the year for Abyssinian Expedition (£3,600,000), and other services (£906,000).

No. 1A.—LOCAL TAXATION.

The total amount annually raised by local taxation to provide for expenditure connected with the relief of the Poor, County and Borough Police, Roads and Bridges, Drainings and Lightings of Towns, &c., is estimated—

For England and Wales, in the year 1870, at.....	£20,500,000
Scotland ditto.	2,000,000
Ireland ditto.	2,500,000
Making a total for the United Kingdom of.....	<u>£25,000,000</u>

which is in the proportion of 16s. per head of the population of the United Kingdom.

If the amounts raised for public and local purposes be added together, the total taxation of the United Kingdom in the year ended 31st March, 1870, would be about £100,500,000, or £3 5s. per head of the population.

No. 2.—AMOUNT of the GROSS PUBLIC REVENUE of the UNITED KINGDOM, charges for collection of Revenue not deducted, distinguishing the Principal Branches thereof.

(Revised for the years 1855-65, so as to include, in accordance with the system now adopted, all sums formerly deducted in progress to the Exchequer or otherwise not brought to account as Revenue.)

Years ended 31st March.	Customs.	Excise.	Stamps.	Taxes.	Property and Income Tax. (For Rate in the £. see Note *.)	Post Office.	Crown Lands. (Net Re- ceipts).	Miscellaneous.				Total Gross Revenue.
								Naval and Military Extra Re- ceipts; Army Contributions from India; and War Indemnities.	Surplus Fees, Extra Receipts Civil Departments, Unclaimed Dividends, &c.	Total of Mis- cellaneous.		
1855	£ 21,630,081	£ 16,883,507	£ 7,109,196	£ 3,179,008	£ 10,612,621	£ 2,369,709	£ 272,572	£ 414,146	£ 438,829	£ 882,975	£ 62,969,669	
1856	23,241,063	17,491,108	7,090,753	3,119,985	15,076,958	2,811,247	281,516	580,347	657,164	1,237,511	70,344,141	
1857	23,531,747	18,338,295	7,389,616	3,136,103	16,089,933	2,921,992	284,857	686,423	514,347	1,200,770	72,893,313	
1858	23,109,105	17,825,000	7,415,719	3,154,053	11,586,115	2,920,000	276,654	1,100,331	614,678	1,715,009	68,001,655	
1859	24,117,943	17,902,000	8,005,769	3,162,000	6,683,587	3,200,000	280,041	1,253,511	1,018,330	2,271,841	65,623,181	
1860	24,460,902	20,361,000	8,043,598	3,232,000	9,596,106	3,310,000	284,479	1,246,214	670,779	1,916,993	71,205,078	
1861	23,305,777	19,435,000	8,348,412	3,127,000	10,923,817	3,400,000	290,568	931,861	625,650	1,557,511	70,338,085	
1862	23,674,000	18,332,000	8,590,945	3,160,000	10,365,000	3,510,000	295,000	1,050,998	887,114	1,938,112	69,865,057	
1863	24,034,000	17,155,000	8,994,000	3,150,000	10,567,000	3,650,000	300,000	1,966,262	788,300	2,754,562	70,604,562	
1864	23,232,000	18,207,000	9,317,000	3,218,000	9,084,000	3,810,000	305,000	2,231,524	804,541	3,036,065	70,209,065	
1865	22,572,000	19,558,000	9,530,000	3,292,000	7,958,000	4,100,000	310,000	2,054,800	938,987	2,993,787	70,313,787	
1866	21,276,000	19,783,000	9,560,000	3,350,000	6,390,000	4,250,000	320,000	2,129,165	749,127	2,878,292	67,812,292	
1867	22,303,000	20,670,000	9,420,000	3,468,000	5,700,000	4,470,000	330,000	1,847,032	1,226,536	3,073,568	69,434,568	
1868	22,650,000	20,162,000	9,541,000	3,509,000	6,177,000	4,630,000	345,000	1,785,612	800,606	2,586,218	69,606,218	
1869	22,424,000	20,462,000	9,218,000	3,494,000	8,618,000	4,660,000	360,000	1,736,260	1,619,732	3,355,992	72,591,992	
1870	21,529,000	21,763,000	9,248,000	4,500,000	10,044,000	4,770,000	375,000	1,751,509	1,453,743	3,205,252	75,434,252	

* On Incomes from } 1854-55. 1855-57. 1857-58. 1858-59. 1859-60. 1860-61. 1861-63.
£100 to £150 . } 10d. 11½d. 5d. 5d. 6½d. 7d. 6d.
Of and above £150 1s. 2d. 1s. 4d. 7d. 5d. 9d. 10d. 9d.
† Including £100,000 from Telegraph Service.

1864-65. 1865-67. 1867-68. 1868-69. 1869-70.

On Incomes of and
above £100, with
abatement of
£60 on Incomes
under £200 . } 6d. 4d. 5d. 6d.

No. 3.—AMOUNT of the GROSS PUBLIC EXPENDITURE of the UNITED KINGDOM, distinguishing the Principal Branches thereof.

Revised so as to include, in accordance with the system now adopted, all payments formerly deducted out of Revenue in progress to the Exchequer, or otherwise not brought to account as Expenditure.

Years ended. 31st March.	Interest and Management of National Debt.					Civil List and Charges of all kinds.*	Forces (exclusive of Fortifications).			Charges of Collection of Revenue.	Total Ex- penditure after deducting Charges of Collection.	Extra Ex- penditure out of Loans for Fortifica- tions.
	Funded.		Un- funded.	Total of Funded and Un- funded.	Army, including Ordnance.		Navy, in- cluding Transport Service.†	Total.‡				
	Perma- nent.	Termin- able Annuities.										
									Total.			
£	£	£	£	£	£	£	£	£	£	£	£	
1855	23,564,216	3,846,861	27,411,077	565,505	7,735,515	13,831,601	14,490,105	30,121,706	3,291,005½	69,124,808	65,833,803	—
1856	23,457,786	3,863,907	27,321,693	870,284	8,679,372	27,806,603	19,654,585	51,661,188	4,533,351	93,065,888	88,532,537	—
1857	23,791,206	3,985,932	27,777,138	1,008,670	8,420,102	20,811,242	13,459,013	34,270,255	4,671,037	76,147,202	71,476,165	—
1858	23,773,699	3,979,956	27,753,655	984,643	10,146,918	12,915,157	10,590,000	24,995,850	4,358,988	68,240,054	63,881,066	—
1859	23,725,551	3,972,739	27,698,290	968,184	9,110,129	12,512,291	9,215,487	22,510,301	4,515,969	64,802,873	60,286,904	—
1860	23,989,014	4,320,384	28,309,398	437,830	9,685,913	14,057,186	11,823,859	26,739,102	4,438,548	69,610,791	65,172,243	—
1861	23,981,487	1,946,633	25,928,120	400,087	10,728,029	14,970,000	13,331,668	31,345,564	4,487,448	72,889,248	68,401,800	50,000
1862	23,884,909	1,837,968	25,722,877	600,900	10,821,956	15,570,869	12,595,042	29,452,342	4,699,581	71,297,056	66,598,075	970,000
1863	23,817,527	1,910,364	25,727,891	496,859	10,881,512	16,264,790	11,370,588	27,635,378	4,553,461	69,205,101	64,741,640	1,050,000
1864	23,784,466	1,991,846	25,776,306	428,578	10,771,490	14,638,051	10,821,596	25,545,572	4,527,433	67,049,379	62,521,946	800,000
1865	23,611,437	2,340,522	25,951,959	410,532	10,205,412	14,382,672	10,898,253	25,280,925	4,666,472	65,907,450	61,848,828	620,000
1866	23,534,805	2,361,894	25,896,699	329,682	10,250,065	13,804,450	10,259,788	24,820,067	5,601,937	65,907,450	61,305,513	560,000
1867	23,408,819	2,378,164	25,786,983	287,888	10,523,019	14,675,540	10,676,101	25,351,641	4,823,958	66,773,489	61,949,531	450,000
1868	22,861,217	3,447,270	26,308,487	256,356	11,193,758	15,418,582	11,168,949	28,587,531	4,883,203	71,229,335	66,346,132	530,000
1869	22,446,467	3,951,155	26,397,622	213,797	11,966,643	15,000,000	11,366,545	31,366,545	5,021,302	74,965,909	69,944,607	525,000
1870	22,427,854	4,365,848	26,793,702	252,951	12,254,700	13,565,400	9,757,690	24,622,390	4,933,802	68,857,845	63,924,043	200,000

* Including Post Office Packet Service from 1861 to 1870.

† Including in the Total Amount for the "Forces" :—

- For the Russian War in the Years ended 31st March, 1855, £1,800,000; 1856, £4,200,000; 1859, £390,580; 1862, £53,431; and 1864, £85,925.
- " Persian Expedition in the Year ended 31st March, 1858, £900,000.
- " Chinese War in the Years ended 31st March, 1858, £590,693; 1859, £391,943; 1860, £858,057; 1861, £3,043,896; and 1862, £1,230,000.
- " New Zealand War in the Year ended 31st March, 1866, £764,829.
- " Abyssinian War in the Years ended 31st March, 1868, £2,000,000; 1869, £5,000,000; and 1870, £1,300,000.
- § Charges of Collection for three quarters of the year only.

† Including Post Office Packet Service from 1855 to 1860.

GROSS AMOUNT OF REVENUE COLLECTED FROM CUSTOMS, EXCISE, AND STAMPS—Cont.

EXCISE.					
Years ended 31st March.	Spirits. £	Malt. £	Licences. £	Other Receipts. § £	Total. £
1855	*7,551,976	*6,183,055	1,413,179	1,894,085	17,042,295
1856	*7,877,829	6,676,349	1,399,673	1,678,288	17,632,139
1857	8,807,455	†5,690,950	1,408,722	2,387,039	18,294,166
1858	8,963,874	5,326,023	1,424,663	2,196,054	17,910,614
1859	*8,950,195	5,412,777	1,436,239	2,102,334	17,901,545
1860	*9,778,960	6,648,881	1,463,814	2,348,812	20,240,467
1861	*9,225,539	6,208,813	1,492,687	2,621,094	19,548,133
1862	9,618,291	5,866,302	1,500,613	1,307,334	18,292,540
1863	9,399,707	5,389,908	1,776,852	607,816	17,174,283
1864	9,692,515	6,092,736	1,843,673	800,001	18,428,925
1865	10,176,731	6,394,553	2,144,402	712,638	19,428,324
1866	10,437,168	6,421,260	2,211,907	747,828	19,818,163
1867	10,855,849	6,816,385	2,304,318	731,771	20,708,323
1868	10,511,530	6,302,419	†2,640,237	736,152	20,190,338
1869	10,556,218	6,527,708	2,636,206	755,608	20,475,740
1870	10,969,189	6,483,612	3,697,354	729,083	21,879,238

* Duties increased.

† Duties reduced.

‡ Excise Duty in lieu of Assessed Tax imposed upon Dogs in Great Britain.

§ The Excise Duty was repealed on Paper in 1861; and on Hops (after previous reductions) in 1862. } Vide Table No. 5.

GROSS AMOUNT OF REVENUE COLLECTED FROM CUSTOMS, EXCISE, AND STAMPS—*Cont.*

STAMPS.

Years ended 31st March.	Deeds and other Instruments.	Probates of Wills.	Legacies and Successions.	Insurances, Fire.	Insurances, Marine.	Bills of Exchange, Bankers Notes, and Composition for Duty on Bills and Notes.	Receipts and Drafts.	Other Receipts.	Total.
	£	£	£	£	£	£	£	£	£
1855	1,225,234	1,148,552	1,504,070	1,244,368	293,368	679,489	223,715	840,743	7,159,539
1856	1,218,740	1,151,524	1,699,348	1,280,443	324,384	508,473	257,631	623,066	7,063,609
1857	1,333,397	1,140,133	1,865,258	1,323,199	325,678	591,001	277,535	540,484	7,396,685
1858	1,331,788	1,187,228	1,845,204	1,356,067	319,508	594,091	281,114	555,627	7,470,627
1859	1,336,373	1,240,685	2,197,533	1,402,535	285,324	525,211	418,618	588,357	7,994,636
1860	1,381,188	1,240,062	2,104,669	1,432,325	323,517	577,129	387,874	593,327	8,040,091
1861	1,327,348	1,288,294	2,161,825	1,485,540	325,342	643,442	436,602	700,476	8,368,869
1862	1,336,152	1,307,307	2,266,350	1,534,842	335,198	619,639	423,955	767,211	8,590,654
1863	1,396,358	1,325,359	2,374,436	1,580,637	366,607	704,169	452,682	776,490	8,976,738
1864	1,503,817	1,471,651	2,251,581	1,638,434	407,695	794,186	477,196	785,290	9,324,850
1865	1,636,784	1,511,161	2,337,994	1,572,396	398,768	900,471	500,249	684,822	9,542,645
1866	1,633,923	1,580,776	2,604,332	1,178,385*	472,562	900,705	531,324	703,498	9,605,505
1867	1,619,313	1,623,273	2,568,044	952,338	482,167	859,731	547,583	713,214	9,365,663
1868	1,602,193	1,635,835	2,882,748	974,019	162,974*	820,796	562,548	834,064	9,475,177
1869	1,572,571	1,591,729	2,769,711	1,018,654	79,637	827,152	567,455	814,541	9,241,450
1870	1,686,942	1,769,130	2,953,591	442,861†	83,923	853,201	583,569	915,336	9,288,553

Note.—The total amounts of Revenue from Customs, Excise, and Stamps collected within the respective years, as shown in this Table, do not correspond with the actual Cash payments into the Exchequer, as shown in Table No. 2, in consequence of outstanding balances.

* Duties reduced.

† Stamp Duty upon Fire Insurances repealed from 25th of June, 1869.

REVENUE, EXPENDITURE, ETC.

No. 5.—AMOUNT of TAXES REPEALED OR REDUCED, and IMPOSED.

YRS.	REPEALED OR REDUCED.		IMPOSED.	
	Nature.	Estimated Amount.	Nature.	Estimated Amount.
		£		£
1846	Butter and Cheese	205,437	Customs :—	
	Silk Manufactures	162,985	Meal and Flour	2,000
	Spirits	482,286	Excise :—	
	Tallow	101,966	Licences	120
	Woollen Manufactures	27,970	Total	2,120
	Seed, Clover	36,077		
	Other Customs Duties	135,069		
	Total	1,151,790		
1847	Woods from Foreign Countries	243,085		
	Sugar and Molasses	53,152		
	Rum	46,974		
	Other Articles	1,675		
	Total	344,886		
1848	Copper Ore	35,745	Excise :—	
	Rum, British Possessions . . .	69,353	Licences, Spirit dealers' . .	84
	Sugar and Molasses	258,854		
	Wood, Foreign	215,028		
	Other Articles	6,988		
	Total	585,968		
1849 †	Sugar and Molasses	355,257		
	Oil and Spermeo	29,327		
	Other Articles	4,214		
	Total	388,798		
1850	Sugar and Molasses	331,073	Stamps :—	
	Stamps	520,000	Registration Fund duties . .	4,300
	Bricks—Excise	456,000		
	Other Articles—Customs	3,078		
	Total	1,310,151		
1851	Window Duty	1,878,800	Inhabited House Duty	600,000
	Coffee	149,161	Excise	150
	Sugar and Molasses	359,804	Stamps	18,000
	Wood and Timber, Foreign . . .	292,099	Total	618,150
	Total	2,679,864		
1852	Sugar and Molasses	95,928		

* In 1846 the prohibitory duty on Foreign Sugar was also reduced, but as the expected result was an increase of Revenue to the estimated amount of £416,562, and not an estimated loss of Revenue, as is the case in the other reductions of Duty in this Return, it is not specified above.

† The Import duties upon Corn were reduced in 1849 to a uniform rate of 1s. per quarter, but, owing to the fluctuating character of the former duties, no estimate could be made of the effect upon the Revenue of this or previous alterations of the Corn duties.

AMOUNT OF TAXES REPEALED OR REDUCED, and IMPOSED.—Cont.

Yrs.	REPEALED OR REDUCED.		IMPOSED.	
	Nature.	Estimated Amount.	Nature.	Estimated Amount.
1853		£		£
	Tea	968,877	Customs	16,383
	Butter and Cheese	106,535	Excise (Spirits)	590,000
	Sugar and Molasses	78,793	Stamps (Succession Tax)	2,000,000*
	Raisins	65,659	Stamps (Receipt)	45,000
	Other Articles	279,610	Property Tax	750,000
	Total Customs	1,499,474		
	Excise, Soap, etc.	1,195,000		
	Stamps	277,000		
	Total	2,971,474	Total	3,401,383
1854	Customs :—		Customs :—	
	Tea	980,568	Spirits (Colonial)	16,694
	Platting of Chip, and other Articles	2,539	Sugar and Molasses	420,298
			Other Articles	3,651
	Stamps—Bills of Exchange	983,107		
	Taxes, Assessed	160,000	Excise—Malt	440,643
		290,000	Spirits	2,450,000
			Other duties	450
	Total	1,433,107	Stamps	5,300
			Income and Property Tax	6,614,000
1855	Customs :—		Customs :—	
	Window Glass and other Articles	2,960	Sugar and Molasses	1,267,566
	Stamps :—		Tea	774,413
	Newspaper	250,000	Coffee	155,629
	Excise :—		Spirits, Colonial	25,546
	Stage Carriages reduced	60,000	Other Articles	2,753
	Total	312,960	Excise, Spirits	2,225,907
			Income Tax	1,000,000
			Total	2,000,000
1856	Customs :—		Customs :—	
	Beer, Spruce	1,428	Rice Dust for Feeding Cattle	92
	Plums (reduced by Treasury Order of 9th December)	1,886		
	Other Articles	161		
	Excise :—			
	Malt War Tax	3,475		
		2,200,000		
	Total	2,203,475		
1857	Customs :—			
	Window Glass	2,053		
	Caoutchouc Manufactures	6,004		
	Coffee	145,816		
	Sugar and Molasses	418,988		
	Tea	1,054,637		
	Other Articles	1,084		
	Taxes :—			
	Property and Income Tax	1,628,582		
		9,125,000		
	Total	10,753,582		92

* Estimate when in full operation. The estimate for the first year was £500,000.

AMOUNT OF TAXES REPEALED OR REDUCED, and IMPOSED.—*Cont.*

YRS.	REPEALED OR REDUCED.		IMPOSED.	
	Nature.	Estimated Amount.	Nature.	Estimated Amount.
		£		£
1858	Taxes:—		Customs:—	
	Property and Income Tax .	2,100,000	Spirits, Colonial, consumed } in Ireland	9,080
			Excise:—	
			Spirits	280,000
			Stamps:—	
			Draft Stamps	113,000
			Probate Court Stamps . . .	53,000
			Matrimonial Causes Court } Stamps	1,700
			Total	456,780
1859			Property and Income Tax .	4,340,000
	Customs:—		Customs:—	
	Repealed:		Spirits, British Colonial . .	357,966
	Butter	104,321	General Rates and Charges, } under Acts 23 Vict. c. 22, }	208,000
	Cheese	49,395	and 23 & 24 Vict. c. 110 }	
	Eggs	24,721	Other Customs Duties . . .	11,938
	Leather, Boots and Shoes, } etc.	8,619	Total Customs	577,904
	Leather Gloves	64,794		
	Oranges and Lemons . . .	35,656	Excise:—	
1860	Rice	25,060	Spirits	1,000,000
	Silk Manufactures	307,244	Chicory	5,000
	Tallow	74,942	Licences to Keepers of Re- } freshment Houses, to Re- } tailers of Wine, to Dealers } in Sweets or made Wines, } to Persons dealing in Wine } and Spirits in Bond . . . }	75,000
	Other Customs Duties . . .	286,498	Licences to kill and to deal } in Game transferred from } Taxes with altered Rates }	150,000
	Total Repealed	981,250	Total Excise	1,230,000
	Reduced:		Taxes:—	
	Currants	210,580	Stamps	163,000
	Raisins	45,353	Property and Income Tax . .	1,060,000
	Spirits, Foreign	313,745		
	Wine	831,694		
	Wood and Timber	429,436		
	Other Customs Duties . . .	28,873		
	Total Reduced	1,859,681		
	Total Customs	2,840,931		
	Excise:—			
	Hops, reduced	105,000		
	Taxes:—			
	Game Certificates transfer- } red to Excise	140,000		
	Total	3,085,931	Total	3,030,904

AMOUNT OF TAXES REPEALED OR REDUCED, and IMPOSED.—*Cont.*

Yrs.	REPEALED OR REDUCED.		IMPOSED.	
	Nature.	Estimated Amount.	Nature.	Estimated Amount.
1861		£		£
	Customs :—		Customs :—	
	Repealed :—		Chicory, raw or kiln-dried .	15,000
	Hats or bonnets of straw, } chip, etc. }	285	Excise :—	
	Paper, books, and prints .	29,743	Duty on Chicory increased	
	Reduced :—		from 5s. 6d. to 8s. 6d. per	
	Hops	5,372	cwt.; Licences to retail	
	Wine	244,158	Spirits in bottles; to re-	
			tail Table Beer; and to	
	Total Customs	279,558	retail Methylated Spirits }	5,000
1862			Stamps :—imposed	60,000
	Excise :—			
	Paper Duty repealed . .	1,350,000		65,000
	Income and Property Tax re-	1,060,000		
	duced }			
			Total	80,000
	Total	2,689,558		
	Customs :—		Excise :—	
	Hop Duty repealed . . .	98,671	Brewers' Licences :— in- }	230,000
1863	Excise :—		creased }	
	Hop Duty repealed . . .	250,000	Victuallers' occasional	
	Stamps	5,000	Licences Duty on	2,000
			Chicory :—increased	
			Stamps :—various, increased	
			or imposed }	20,500
	Total	353,671		
			Total	252,500
	Customs :—		Customs :—	
	Duties reduced :		Duty on Chicory :—increased	6,811
1863	Tea	1,641,541	Excise :—	
	Tobacco	74,055	Chicory :—increased . .	1,000
	Charges on Import En- }		Stage Carriages	11,000
	tries and Bills of Lad- }	180,723	Beer Dealers :—additional }	2,000
	ing :—repealed }		Licence }	
			Beer Retailers	10,000
	Total Customs	1,896,319		
	Income and Property Tax re-	2,750,000	Total Excise	24,000
	duced }			
	Total	4,646,319	Total	30,811

AMOUNT OF TAXES REPEALED OR REDUCED, and IMPOSED.—*Cont.*

Yrs.	REPEALED OR REDUCED.		IMPOSED.	
	Nature.	Estimated Amount.	Nature.	Estimated Amount.
		£		£
1864	Customs: Reduced:— Sugar and Molasses . . .	1,741,272	Excise:— Occasional Licences to Beer and Wine Retailers and Dealers in Tobacco . . .	1,000
	Succades, Confectionery, and other articles pre- served in sugar . . .	3,112	Sugar used in Brewing:— Duty increased . . .	6,000
	Total Customs . . .	1,744,384	Licences:—various trade, transferred from Stamps } Chicory Duty increased . . .	110,000 2,000
	Excise:— Tea Licences reduced . . .	15,000		119,000
	Stamps:— Licences:—various trade, transferred to the Excise } Fire Insurances:—Duty on Stock in Trade reduced } Property and Income Tax re- duced . . .	110,000 255,000 1,230,000		
	Total . . .	3,354,384		
	Customs:— Tea Duty reduced . . .	2,214,981	Customs:— Sugar Cane Juice Duty in- creased . . .	1,576
	Excise:— Malt made from Barley weighing less than 53 lbs. per bushel, charged with duty at the rate of a bushel for every 53 lbs. of such barley . . .	10,000		
	Stamps:— Fire Insurances, duty re- duced to an uniform rate } Taxes:— Property and Income Tax reduced . . .	520,000 2,600,000		
	Total . . .	5,344,981		1,576
1865	Customs: Repealed:— Pepper . . .	124,171		
	Timber and Wood . . .	314,221		
	Ships, Foreign and Colonial, built of wood, on registration as British ships . . .	7,070		
	Reduced: Wine imported in Bottles, containing less than 26 degrees of proof spirit . . .	71,000		
1866	Total Customs . . .	516,462		
	Excise:— Stage Carriages, Mileage Duties reduced to an uni- form rate of one farthing per mile . . .	69,000		
	Post Horse Licences, Licences for less than 8 horses and 6 carriages, reduced and rates altered } Total Excise . . .	16,000 85,000		
	Total . . .	601,462		

AMOUNT OF TAXES REPEALED OR REDUCED, and IMPOSED.—*Cont.*

Yrs.	REPEALED OR REDUCED.		IMPOSED.	
	Nature.	Estimated Amount.	Nature.	Estimated Amount.
1867	Stamps :—	£	Excise :—	£
	Marine Insurances reduced to an uniform rate of 3 <i>d.</i> per cent.	210,000	Dog Licences transferred from Assessed Taxes at reduced rate	150,000
	Assessed Taxes :—		Taxes :—	
	Duties on Dogs reduced	105,000	Income Tax increased	1,450,000
	Total	315,000	Total	1,600,000
1868	Nil.		Taxes :—	
			Income Tax increased	1,450,000
1869	Customs :—		Customs :—	
	Repealed :		Beer, Spruce :—increased	114
	Corn, Grain, Meal, and Flour	855,581		
	Other farinaceous substances	8,855		
	Reduced :			
	Beer and Ale, except Spruce	1,251		
	Total Customs	865,687		
	Excise, Repealed :		Excise :—	
	Tea Dealer's Licences	73,000	Licences imposed in lieu of Assessed Taxes repealed :	
	Post Horse	135,000	Armorial Bearings	76,000
	Stage Carriage "Duty and Licences	47,000	Carriages	435,000
	Hackney Carriage Duty and Licences	111,000	Horses	381,000
	Total Excise	366,000	Servants	205,000
			Horse Dealers	16,000
			Total Excise	1,113,000
	Stamps, Repealed :			
	Fire Insurance Duty	1,000,000		
	Assessed Taxes, Repealed, and Licences substituted, except for Hair Powder :			
	Hair Powder	995		
	Armorial Bearings	68,430		
	Carriages	407,474		
	Horses	438,122		
	Servants	234,596		
	Horse Dealers	17,366		
		1,166,983		
	Income Tax, Reduced	1,450,000		
	Total	4,848,670	Total	1,113,114

AMOUNT OF TAXES REPEALED OR REDUCED, AND IMPOSED—Cont.

Abstract of Total Alterations of Taxes from 1855 to 1869.

	Repealed or Reduced.	Imposed.	Actual Diminution (—) or Addition (+).
	£	£	£
Customs	12,092,010	2,836,484	— 9,255,526
Excise	4,441,000	4,153,000	— 288,000
Property and Income Tax	20,315,000	10,300,000	— 10,015,000
Other Taxes	1,411,983	—	— 1,411,983
Stamps (including Succession Duty)	2,350,000	411,200	— 1,938,800
Total	40,609,993	17,700,684	— 22,909,309

No. 6.—BALANCES in the EXCHEQUER at the END of each FINANCIAL YEAR.

Financial Years ended 31st March.	Amount.	Financial Years ended 31st March.	Amount.
	£		£
1855	3,949,775	1863	7,263,839
1856	5,600,621	1864	7,352,548
1857	8,668,371	1865	7,690,922
1858	6,657,802	1866	5,851,314
1859	7,789,083	1867	7,294,151
1860	7,972,864	1868	4,781,846
1861	6,072,132	1869	4,707,258*
1862	5,288,676	1870	8,606,647

* Including £1,000,000 advanced by the Bank of England in aid of Ways and Means.

No. 7.—TOTAL AMOUNT of the NATIONAL DEBT at the END of each FINANCIAL YEAR.

Financial Years ended 31st March.	Funded Debt.		Amount of Unfunded Debt.	Total Amount of National Debt.
	Capital of Unredeemed Funded Debt.	Estimated Capital of Terminable Annuities (Computed in 3 per Cent. Stock).		
1855	£ 752,064,119	£ 30,196,171	£ 23,151,400	£ 805,411,690
1856	775,730,994	29,943,821	28,182,700	833,857,515
1857	780,119,722	27,567,532	27,989,000	835,676,254
1858	779,225,495	24,497,263	25,911,500	829,634,258
1859	786,801,154	21,999,073	18,277,400	827,077,627
1860	785,962,000	19,746,264	16,228,300	821,936,564
1861	785,119,609	18,947,740	16,689,000	820,756,349
1862	784,252,338	19,388,876	16,517,900	820,159,114
1863	783,306,739	20,716,727	16,495,400	820,518,866
1864	777,429,224*	26,442,428*	13,136,000	817,007,652
1865	775,768,295	25,408,370	10,742,500	811,919,165
1866	773,313,229	25,435,034	8,187,700	806,935,963
1867	769,541,004	27,521,513	7,956,800	805,019,317
1868	741,190,328†	56,816,803†	7,911,100	805,918,231
1869	740,418,032	55,471,424	8,896,100	804,785,556
1870	740,789,548	53,130,380	6,761,500	800,681,428

* In 1864 the sum of £5,000,000 of the Unredeemed Funded Debt was cancelled, and a Terminable Annuity created in lieu thereof, under the 26th Vict. cap. 25 sect. 2.

† Alterations in amounts of Capital of Unredeemed Funded Debt and of Terminable Annuities chiefly caused by the conversion, in 1869, of Stock into Terminable Annuities.

No. 8.—GROSS AMOUNT of the ANNUAL VALUE of PROPERTY and PROFITS, Assessed to the INCOME TAX, under each Schedule, in each Year, ended 5th April, from 1855 to 1868.

Years ended 5th April.	Under Schedule A.* For all Lands, Tenements, Railways, Canals, Mines, Gasworks, Waterworks, etc.				Under Schedule B. In respect of the occupation of Land, Tenements, and Hereditaments.				Under Schedule C. For all Profits arising from Annuities, Dividends, etc., payable out of the Public Revenue.	
	England.		Scotland.	Ireland.	United Kingdom.		England.	Scotland.	Ireland.	United Kingdom.
	£	£	£	£	£	£	£	£	£	£
1855	100,835,328	12,144,437	11,892,120	124,871,885	41,067,948	5,725,045	2,603,424	49,396,417	27,326,097	
1856	102,221,249	12,428,781	11,878,545	126,528,575	41,139,083	5,872,714	2,574,084	49,587,081	28,778,400	
1857	103,603,068	12,543,811	11,952,285	128,099,164	41,186,404	5,932,156	2,582,538	49,701,098	29,344,750	
1858	109,978,265	13,809,321	12,826,739	136,614,325	42,777,237	6,254,218	2,804,248	51,835,793	29,515,371	
1859	110,923,084	13,885,457	12,858,701	137,607,242	42,702,530	6,230,091	2,766,937	51,699,483	29,346,912	
1860	112,082,740	13,974,080	12,893,329	138,950,658	42,955,963	6,281,680	2,765,382	52,003,030	29,701,283	
1861	114,058,538	14,601,691	13,003,554	141,663,783	42,971,952	6,356,800	2,773,644	52,102,396	27,480,840	
1862	120,124,206	15,128,538	13,398,938	148,661,682	44,668,148	6,675,244	2,937,899	54,301,291	29,083,206	
1863	121,328,434	15,279,846	13,494,991	150,102,371	44,647,701	6,715,341	2,938,923	54,301,965	30,652,613	
1864	122,993,875	15,478,013	13,470,700	151,942,588	44,666,296	6,717,827	2,930,874	54,344,997	31,528,697	
1865	131,341,499	16,264,290	13,801,616	161,397,345	46,403,853	6,836,639	2,946,072	56,180,564	32,044,489	
1866	135,144,462	16,593,664	13,876,913	165,615,039	46,428,144	6,849,704	2,956,643	56,234,401	33,070,680	
1867*	110,696,900	13,309,634	12,861,281	136,867,815	46,500,880	6,964,704	2,969,264	56,434,848	33,640,440	
1868	116,341,387	13,898,127	12,831,865	143,071,379	47,616,044	7,186,295	3,010,211	57,806,550	33,689,568	
1869	117,907,336	14,116,408	12,852,446	144,876,190	47,719,643	7,216,988	3,024,238	57,960,869	34,790,120	

* The Assessments on Quarries, Mines, Ironworks, Fisheries, Canals, Railways, Gasworks, &c., were transferred from Schedule A. to Schedule D. from 5th April, 1866.

GROSS AMOUNT OF the ANNUAL VALUE OF PROPERTY and PROFITS—Cont.

Years ended 5th April.	Schedule D. For all gains arising from any Profession or Trade.					Schedule E. For all Public Offices and Pensions paid out of the Public Revenue.		Total Annual Value of Property and Profits Assessed.				
	England.		Scotland.	Ireland.	United Kingdom.	United Kingdom.		England.	Scotland.	Ireland.	United Kingdom.	
	£	£	£	£	£	£	£	£	£	£	£	
1855	74,610,127	11,889,864	4,780,140	91,280,131	15,264,613	256,008,450	30,543,911	21,586,782	308,139,143			
1856	72,579,557	11,003,079	4,618,735	88,201,371	17,326,080	255,864,265	30,166,479	21,390,446	307,421,190			
1857	73,511,927	11,109,149	4,577,874	89,198,950	17,712,465	261,069,680	30,498,404	21,488,343	313,056,427			
1858	77,503,022	8,548,591	4,788,017	90,839,630	18,333,823	274,724,847	29,458,899	22,855,106	327,138,852			
1859	77,442,051	8,070,784	4,852,588	90,365,423	19,048,356	275,962,072	29,168,297	22,907,047	328,127,416			
1860	81,921,267	8,626,144	4,891,652	95,439,063	19,094,284	282,312,309	29,913,124	22,992,885	335,188,318			
1861	81,531,326	8,372,740	4,836,203	94,740,269	19,666,923	282,248,060	30,407,757	22,998,394	335,054,211			
1862	85,208,610	9,306,060	4,858,800	99,373,470	20,335,598	295,894,976	32,252,691	23,597,574	351,745,241			
1863	88,809,996	9,464,120	4,846,497	103,120,613	20,965,335	302,828,234	32,656,032	23,658,631	359,142,897			
1864	96,982,709	10,308,761	4,948,798	112,240,268	21,046,292	313,639,959	33,706,047	23,756,836	371,102,842			
1865	106,898,319	11,901,284	5,275,947	124,075,550	22,130,732	335,175,427	36,195,384	24,457,869	395,828,680			
1866	115,601,940	12,903,773	5,933,432	134,439,145	23,746,925	350,277,476	37,016,391	25,211,313	413,105,180			
1867*	147,678,722	17,676,994	7,783,219	173,088,935	23,741,530	358,437,953	39,259,529	26,076,086	423,773,568			
1868	147,576,240	16,561,983	7,709,833	171,848,056	23,953,418	365,366,419	38,933,155	26,069,397	430,368,971			
1869	149,451,289	16,075,393	7,527,513	173,054,195	24,122,583	370,070,360	38,740,898	25,992,699	434,803,957			

* The Assessments on Quarries, Mines, Ironworks, Fisheries, Canals, Railways, Gasworks, &c., were transferred from Schedule A. to Schedule D. from 5th April, 1866.

GROSS AMOUNT OF THE ANNUAL VALUE OF PROPERTY AND PROFITS.—*Cont.*

Years ended 5th April.	IRONWORKS.*			RAILWAYS.*			UNITED KINGDOM.			UNITED KINGDOM.		
	England.	Scotland.	Ireland.	England.	Scotland.	Ireland.	England.	Scotland.	Ireland.	England.	Scotland.	Ireland.
	£	£	£	£	£	£	£	£	£	£	£	£
1855	890,539	487,509		8,291,162	839,640		961,165	1,317,633	440,018	961,165	1,317,633	440,018
1856	915,830	511,138		8,630,356	898,873		937,774	1,391,510	444,450	937,774	1,391,510	444,450
1857	983,735	475,753		9,209,449	891,292		935,696	1,435,560	461,286	935,696	1,435,560	461,286
1858	1,239,531	641,469		10,450,401	1,246,592		899,717	1,848,522	590,222	899,717	1,848,522	590,222
1859	1,213,635	563,288		10,631,816	1,264,675		962,206	1,891,568	605,657	962,206	1,891,568	605,657
1860	1,134,012	383,218		10,732,838	1,299,724		823,091	2,150,824	575,184	823,091	2,150,824	575,184
1861	1,112,049	506,932		11,652,058	1,512,816		743,339	1,990,651	641,056	743,339	1,990,651	641,056
1862	778,609	300,677		12,413,177	1,603,283		714,322	1,971,183	646,901	714,322	1,971,183	646,901
1863	798,985	291,066		12,583,668	1,655,627		823,091	2,150,824	575,184	823,091	2,150,824	575,184
1864	792,463	336,693		12,971,767	1,634,296		743,339	1,990,651	641,056	743,339	1,990,651	641,056
1865	1,247,597	550,834		13,882,200	1,772,523		823,091	2,150,824	575,184	823,091	2,150,824	575,184
1866	1,341,214	498,836		15,624,216	1,951,095		714,322	1,971,183	646,901	714,322	1,971,183	646,901
1867	1,790,810	697,164	161	15,947,228	2,062,515	868,381	823,091	2,150,824	575,184	823,091	2,150,824	575,184
1868	1,459,809	554,152	—	15,980,150	2,031,268	819,166	743,339	1,990,651	641,056	743,339	1,990,651	641,056
1869	1,501,067	410,198	—	16,898,467	2,038,074	843,048	714,322	1,971,183	646,901	714,322	1,971,183	646,901

* The Assessments on Mines, Ironworks, Railways, Canals, Gasworks, Quarries, and Other Profits were transferred from Schedule A. to Schedule D. from 5th April, 1866, but they are given in this Table for 1867 and 1868 for the purpose of comparison.

† "Other Profits" include Fisheries, Salt and Alum Works, Docks, Drains and Levels, and Tolls of various kinds.

Cannot be distinguished prior to the year 1862.

Cannot be distinguished prior to the year 1862.

Cannot be distinguished prior to the year 1862.

No. 10.—REAL VALUE of the TOTAL IMPORTS and EXPORTS of MERCHANDISE into and from the UNITED KINGDOM, with Proportion thereof per Head of Total Population.

Years.	IMPORTS.			EXPORTS.				TOTAL OF IMPORTS AND EXPORTS.	
	Total Value.	Proportion per Head of Population of United Kingdom.	Total Value of British Produce.	British Produce.		Foreign and Colonial Produce.	Total Value of British and Foreign and Colonial Produce.	Total Value.	Proportion per Head of Population of United Kingdom.
				Total Value.	Proportion per Head of Population of United Kingdom.				
£	£ s. d.	£	£ s. d.	£	£	£	£ s. d.		
1855	143,542,850	5 3 2	95,688,085	3 8 10	21,003,215	116,691,300	260,234,150	9 7 0	
1856	172,544,154	6 3 2	115,826,948	4 2 10	23,393,405	139,220,353	311,764,507	11 2 7	
1857	187,844,441	6 13 5	122,066,107	4 6 7	24,108,194	146,174,301	334,018,742	11 17 0	
1858	164,583,832	5 16 0	116,668,756	4 2 5	23,174,023	139,782,779	304,366,611	10 14 5	
1859	179,182,355	6 5 5	130,411,529	4 11 2	25,281,446	155,692,975	334,875,330	11 14 2	
1860	210,530,873	7 7 0	135,891,227	4 14 7	28,630,124	164,521,351	375,052,224	13 0 7	
1861	217,485,024	7 10 2	125,102,814	4 6 5	34,529,684	159,632,498	377,117,522	13 0 5	
1862	225,716,976	7 14 7	123,992,264	4 5 7	42,175,870	166,168,134	391,885,110	13 8 5	
1863	248,919,020	8 9 5	146,602,342	5 0 0	50,300,067	196,902,409	445,821,429	15 3 5	
1864	274,952,172	9 6 0	160,449,053	5 8 7	52,170,561	212,619,614	487,571,786	16 9 10	
1865	271,072,285	9 2 2	165,835,725	5 11 5	52,995,851	218,831,576	489,903,861	16 9 2	
1866	295,290,274	9 17 2	188,917,536	6 6 2	49,988,146	238,905,682	534,195,956	17 16 10	
1867	275,183,137	9 2 6	180,961,923	6 0 0	44,840,606	225,802,529	500,985,666	16 12 3	
1868	294,593,608	9 14 0	179,677,812	5 18 3	48,100,642	227,778,454	522,472,062	17 3 11	
1869	295,428,967	9 12 1	190,045,230	6 3 7	47,061,095	237,106,325	532,535,292	17 6 3	
1870	303,296,082	9 16 9	199,640,983	6 9 6	44,493,755	244,134,738	547,430,820	17 15 2	

The following Table formed from a Return to an Order of the House of Commons dated 19th March, 1862, furnishes a short and convenient outline of every INCOME TAX ACT from the year 1798, to 1862; distinguishing respectively the various Rates, Exemptions, Annual Produce, and Dates of each.

INCOME TAX.

A RETURN "of every INCOME TAX ACT from the Year 1798 to the present time; distinguishing respectively the various Rates, Exemptions, Annual Produce, and Dates of each."

Act and Date.	Various Rates.	Exemptions.	Amount of Du Assessed.	
			Year.	£
38 Geo. III. c. 16, 12th January, 1798.	Imposed additional rates upon every person within either of the following classes :— Here follows a description of the persons, with the rate increasing with the income on a graduated scale to £50 and upwards, 5 rates in addition.	Any person occupying a farm of less rent than £70 per annum, and making a livelihood solely thereby, exempt from additional rate in respect of horses charged under 36 Geo. III. c. 15, and 37 Geo. III. c. 106.	1798	1,855,
		Persons keeping tax-carts, carriages and horses to let to hire, waiters, carriages to be let to hire, and public stage carriages.		
		Persons whose assessments were not equal to £1.		
		Occupiers of lodging-houses and shops, whose assessments were less than £3.		
39 Geo. III. c. 13, 9th January, 1799.	In lieu of the former rates, this Act imposed duties on all incomes arising from property, professions, trades, and offices, according to the following scale, viz. :— Here follows the graduated scale with the duty increasing to one-tenth on £200 and upwards.	Incomes under £60 per annum.		
		Incomes under £60 per annum.	1799	6,046,
		The stock or funds of any friendly society established under 32 Geo. III. c. 54.	1800 1801	6,244, 5,628,

Act and Date.	Various Rates.	Exemptions.	Amount of Duty Assessed.	
			Year.	£
39 Geo. III. c. 13, 9th January, 1799 -continued.		Corporations, etc., for charitable purposes.		
		Annual officer presi- ding over any corpora- tion or Royal burgh, in respect of his salary.		
39 Geo. III. c. 22, 21st March, 1799.				
39 Geo. III. c. 42, 10th May, 1799.	Amending Acts; not affecting rates or exemptions.			
39 Geo. III. c. 11, Sess. 2, 1 Oct., 1799.				
39 Geo. III. c. 42, 4th May, 1802.	Repealed duties granted by 39 Geo. III. c. 13.			
39 Geo. III. c. 122, 11th August, 1803.	Granted duties on profits arising from property, professions, trades, and offices; charged such duties at their source; and classified them under the several Schedules (A.), (B.), (C.), (D.), and (E.).	Incomes under £60.	1803	5,341,907
	Rates under Schedules (A.), (C.), (D.), and (E.) 1s. in the pound:	Schedule (A.)	1804	4,111,924
	Under Schedule (B.):— In England, 9d. In Scotland, 6d.	College or hall in any university, and all offices, gardens, walks, and grounds for recreation, maintained by the funds of such college or hall.		
	The rates were subject to abate- ments in respect of incomes of £60 and upwards, and under £150 per annum, viz.:	Every hospital or pub- lic school or almshouse, and all offices, etc., maintained by the funds of such hospital, or, etc.		
	£60 and under £70, 3d. in the pound.	Rents and profits of lands or hereditaments belonging to any hospi- tals or almshouse, so far as the same were applied to charitable purposes.		
	70 " 80, 4d. "			
	80 " 90, 5d. "			
	90 " 100, 6d. "			
	100 " 110, 7d. "			
	110 " 120, 8d. "			
	120 " 130, 9d. "			
	130 " 140, 10d. "			
	140 " 150, 11d. "			
	Also, the understated allowances in re- spect of children <i>bonâ fide</i> maintained by the parent, viz.:	Schedule (C.)		
	Where the income of the parent amounted to—	Stock of friendly so- cieties.		
	£60 and was under £400, £4 per cent. for every child above two.	Stock of charitable institutions, so far as applied to charitable purposes.		
	£400 and was under £1,000, £3 per cent.	Stock belonging to foreigners not residing in Great Britain.		
	£1,000 and was under £5,000, £2 per cent.			
	£5,000 and upwards, £1 per cent.			

Act and Date.	Various Rates.	Exemptions.	Amount of D Assessed.	
			Year.	£
44 Geo. III. c. 37, 3rd May, 1804.	Amending Acts; not affecting rates or exemptions.	Stock in names of Commissioners for Re- duction of National Debt. Stock in the name of the Treasury.		
44 Geo. III. c. 82, 44 Geo. III. c. 83, 20th July, 1804.				
45 Geo. III. c. 15, 10th March, 1805.	Imposed an additional duty, after the rate of— One-fourth part of the net amount of duty charged under 42 Geo. III. c. 122.	Rents and profits of lands, tenements, or hereditaments, held in trust for charitable pur- poses, so far as applied to such purposes.	1805	6,429
45 Geo. III. c. 49, 5th June, 1805.	Amended and consolidated provisions of former Acts, without altering the rates or exemptions.			
46 Geo. III. c. 65, 13th June, 1806.	Increased the rate of duty under Sched- ules (A.), (C.), (D.), and (E.) to 2s. in the pound; and under Schedule (B.) to 1s. 6d. in England, and 1s. in Scotland.	Incomes of £50 per annum.	1806	12,822
			1807	11,905
	Where profits chargeable arose—		1808	13,482
	1st. From properties belonging to any ecclesiastical person in right of his church or by endowment, and stipends of licensed curates.	Artisans, labourers, handicraftsmen, me- chanics, or manufactur- ers. Wages not ex- ceeding in any one week the sum of 30s.	1809	13,631
	2nd. From the occupation of land.		1810	14,453
	3rd. From trade, profession, employ- ment, or vocation chargeable under Schedule (D.)		1811	14,462
	4th. From any office or employment chargeable under Schedule (E).		1812	15,488
	5th. From any pension or stipend pay- able out of the public revenue, and chargeable under Schedule (E.)	Granted by former Acts, under Schedules (A.) and (C.) continued.	1813	15,795
	6th. Annuities for life or for terms of years.		1814	14,188
	And if such profits amounted to £50, and were less than £150, the party was entitled to an allowance, out of the duties charged, at the rate of 1s. for every 20s., by which the income was proved less than £150.			
55 Geo. III. c. 55, 12th May, 1815. 5 & 6 Vict. c. 35, 22nd June, 1842.	Rates, abatements, and exemptions granted and allowed under 43 Geo. III. c. 122, 45 Geo. III. c. 15, and 46 Geo. III. c. 65, continued for one year.		1815	15,642
	Re-imposed the duties on profits arising from property, professions, trades, and offices, for three years from 5th April, 1842.	All incomes under £150 per annum.	1842	5,608

Year and Date.	Various Rates.	Exemptions.	Amount of Duty Assessed.																
			Year.	£															
5 & 6 Vict. 35, 22nd June, 1842 <i>continued.</i>	<p>Under Schedules (A.), (C.), (D.), and (E.), at the rate of 7<i>d.</i> in the pound.</p> <p>Under Schedule (B.):—</p> <p>In England, at the rate of 3½<i>d.</i> in the pound.</p> <p>In Scotland, at the rate of 2½<i>d.</i> in the pound.</p> <p>The like, in favour of every hospital or public school or almshouse.</p> <p>Literary or scientific institution, building the property of and used solely as, where no payment is made for any instruction.</p> <p>Rents of land, tenements, and hereditaments belonging to any hospital, public school, or almshouse, or vested in trustees for charitable purposes, so far as the same are so applied.</p> <p>Under Schedule (C.):</p> <p>Stock of friendly societies, savings' banks, charitable institutions, in name of Treasury or Commissioners for National Debt belonging to her Majesty, or to any accredited minister of any foreign State resident in Great Britain.</p> <p>Under Schedule (D.):</p> <p>Charitable institutions in respect of interest.</p>	<p>Under Schedule (A.):</p> <p>Any college or hall in any of the universities, in respect of the public buildings and offices not occupied by any individual member, or by any person paying rent; and for repairs of same, and maintenance of gardens, walks, and grounds.</p>	1843	5,504,157															
			1844	5,476,497															
Vict. c. 4, April, 1845.	<p>Continued the duties until 5th April, 1853, at the rates and with the exemptions provided by 5 & 6 Vict. c. 35.</p>		1845	5,711,224															
Vict. c. 8, April, 1848.			1846	5,791,067															
Vict. c. 12, June, 1851.			1847	5,834,795															
Vict. c. 20, May, 1852.			1848	5,793,543															
			1849	5,729,577															
			1850	5,754,447															
			1851	5,845,719															
			1852	5,869,326															
5 & 17 Vict. 34, 23rd June, 1853.	<p>Under Schedules (A.), (C.), (D.), and (E.):—</p> <p>For two years from 5th April, 1853, 7<i>d.</i> in the pound.</p> <p>For two years, from 5th April, 1855, 6<i>d.</i> in the pound.</p> <p>For three years, from 5th April, 1857, 5<i>d.</i> in the pound.</p>	<p>All incomes under £100, friendly societies, in respect of interest or other profits chargeable under Schedule (D.).</p>	1853	7,133,039															
	<table><tr><td></td><td>In England.</td><td>In Scotland and Ireland.</td></tr><tr><td>Under Schedule (B.):</td><td><i>d.</i></td><td><i>d.</i></td></tr><tr><td>For first-mentioned term.</td><td>3½</td><td>2½</td></tr><tr><td>„ second .</td><td>3</td><td>2½</td></tr><tr><td>„ third .</td><td>2½</td><td>1½</td></tr></table> <p>In respect of incomes of £100 or upwards and under £150, rates to be abated to 5<i>d.</i> in the pound.</p>		In England.	In Scotland and Ireland.	Under Schedule (B.):	<i>d.</i>	<i>d.</i>	For first-mentioned term.	3½	2½	„ second .	3	2½	„ third .	2½	1½	<p>Exemption granted by 5 & 6 Vict. c. 35, under Schedules (A.), (C.), and (D.) continued.</p>		
	In England.	In Scotland and Ireland.																	
Under Schedule (B.):	<i>d.</i>	<i>d.</i>																	
For first-mentioned term.	3½	2½																	
„ second .	3	2½																	
„ third .	2½	1½																	

Act and Date.	Various Rates.	Exemptions.	Amount of Du Assessed.	
			Year.	£
17 Vict. c. 10, 12th May, 1854.	Additional rates for 1854, amounting to one moiety of duties charged by 16 & 17 Vict. c. 34.		1854	14,358,0
17 Vict. c. 24, 16th June, 1854.	Granted in lieu of the rates payable for the year 1854, under 16 & 17 Vict. c. 24, and 17 Vict. c. 10, a rate of 1s. 2d. in the pound. All reliefs and abatements to be proportionate to the increased rate of duty.			
18 Vict. c. 20, 25th May, 1855.	Additional rate of 2d. in the pound, making together a rate of 1s. 4d. in the pound, to be raised annually during the war, and until 6th April after the expiration of one year from a ratification of a treaty of peace. All relief, etc., to be in proportion to increased rate		1855	16,545,5
			1856	16,915,3
20 Vict. c. 6, 21st March, 1857.	Reduced to 7d. in the pound for year ended 5th April, 1858.		1857	7,905,5
22 & 23 Vict. c. 18, 13th August, 1859.	Granted for the year ended 5th April, 1860 :— Under Schedules (A.), (C.), (D.), and (E.), 4d., in addition to rate payable under 16 & 17 Vict. c. 34, making a total of 9d. in the pound. Under Schedule (B.) :— 2d. in England total 4½d. 1½d. in Scotland and Ire- land total 3½d. All reliefs and abatements to be proportionate to the increased duty.		1858	5,758,9 per Act & 17 Vic c. 34.
			1859	10,424,8 per Act 16 & 17 Vict. c. 3 and 22 & Vict. c. 1
23 Vict. c. 14, 3rd April, 1860.	Granted for the year ended 5th April, 1861 :— Under Schedules (A.), (C.), (D.), and (E.), 10d. in the pound. Under Schedule (B.) :— In England 5d. In Scotland and Ireland respec- tively 3½d. In respect of incomes of £100 and under £150, rates to be abated to 7d. in the pound.	As stated in the pre- ceding page, under the 16 & 17 Vict c. 34.	1860	11,594,0
24th Vict. c. 20, 12th June, 1861.	Granted for the year ended 5th April, 1862 :— Under Schedules (A.), (C.), (D.), and (E.), 9d. in the pound. Under Schedule (B.) :— In England 4½d. In Scotland and Ireland respec- tively 3d. In respect of incomes of £100, and under £150, rates to be abated to 6d. in the pound.		1861	Cannot be furnished at present

PROPERTY AND INCOME TAX.

Years ended 5th April.	Rates of Duty on Incomes of		Act by which imposed.	Date of Act.
	£100 a Year and under £150.	£150 a Year and upwards.		
1861	<i>s. d.</i> 0 7 in the pound	<i>s. d.</i> 0 10 in the pound	23 Vict. c. 14 . .	3rd April, 1860.
1862	0 6 „	0 9 „	24 Vict. c. 20 . .	12th June, 1861.
1863	0 6 „	0 9 „	25 Vict. c. 22 . .	3rd June, 1862.
All Incomes of £100 a year and upwards chargeable with like rates of duty, but an abatement of the duty on £60 allowed on Incomes under £200.				
1864	7 <i>d.</i> in the pound.		26 Vict. c. 22 . .	8th June, 1863.
1865	6 <i>d.</i> „		27 Vict. c. 18 . .	13th May, 1864.
1866	4 <i>d.</i> „		28 Vict. c. 30 . .	26th May, 1865.
1867	4 <i>d.</i> „		29 Vict. c. 36 . .	11th June, 1866.
1868	5 <i>d.</i> „		30 Vict. c. 23, and 31 Vict. c. 2 . .	31st May, 1867. 7th Dec., 1867.

STATISTICAL ABSTRACT FOR 1870.

No. 7.—CHARGES FOR COLLECTION OF REVENUE, SALARIES, and MANAGEMENT OF REVENUE DEPARTMENTS, in each year ended 31st March, from 1861 to 1871.

(A complete statement of the Charges of Collection of Revenue by the separate Departments can only be made to commence with the year ended 31st March, 1861.)

Years ended 31st March.	Customs.		Inland Revenue (Excise, Stamps, Taxes, and Income Tax).		Post Office (including the Telegraph Service from 1st January, 1870).		Total.	
	Gross Revenue.	Charges of Col- lection issued out of the Exchequer.	Gross Revenue.	Charges of Col- lection issued out of the Exchequer.	Gross Revenue.	Expenses and Charges of De- partment (in- cluding Packet Service).	Revenue from Customs, Inland Revenue and Post Office.	Charges of Col- lection of Revenue.
1861	22,305,776	1,025,848	41,834,229	1,542,589	3,422,229	2,988,789	68,562,234	5,557,226
1862	23,674,000	1,006,527	40,477,945	1,514,675	3,552,805	3,070,299	67,674,750	5,591,501
1863	24,034,000	990,927	39,866,000	1,487,930	3,730,540	2,995,191	67,630,540	5,474,048
1864	23,232,000	976,631	39,826,000	1,476,632	3,874,869	2,996,281	66,932,869	5,449,514
1865	22,572,000	986,364	40,338,000	1,483,528	4,134,576	3,007,252	67,044,576	5,477,144
1866	21,276,000	988,265	39,088,000	1,511,338	4,273,842	2,947,737	64,637,842	5,477,340
1867	22,303,000	1,000,465	39,258,000	1,480,471	4,470,000	3,159,015	66,031,000	5,639,951
1868	22,650,000	989,925	39,389,000	1,491,227	4,651,804	3,210,569	66,690,804	5,691,721
1869	22,424,000	994,369	41,792,000	1,581,795	4,944,600	3,541,476	69,160,600	6,117,640
1870	21,529,000	979,918	45,555,000	1,577,884	4,996,210	3,597,552	72,080,210	6,155,354
1871	20,191,000	967,184	40,870,000	1,605,944	5,421,415	3,949,422	66,482,415	6,522,550

POPULATION.

POPULATION ENUMERATED in ENGLAND and WALES on April
3rd, 1871.

Total Population Enumerated.	Persons.	Males.	Females.
	*22,704,108	11,040,403	11,663,705

* This number includes the part of the Army in England and Wales, also the Navy, Merchant Seamen, and others on board ships in the home trade from which returns were received as well as vessels in the ports, etc., and fishing boats, on the 3rd April, but is exclusive of the Army, Navy, and Merchant Seamen *Abroad*.

HOUSES AND POPULATION ENUMERATED IN ENGLAND AND WALES IN 1871 AND 1861.

Date.	Houses.			Population.		
	Inhabited.	Uninhabited.*	Building.	Persons.	Males.	Females.
1871 (April 3rd)	4,259,032	260,178	37,807	22,704,108	11,040,403	11,663,705
1861 (April 8th)	3,739,505	184,694	27,305	20,066,224	9,776,259	10,289,965
	519,527	75,484	10,502	2,637,884	1,264,144	1,373,740

* The term "uninhabited" is applied to houses in which no person dwelt or slept on the *Sunday night preceding the enumeration*. In towns many of the houses so returned were occupied for business purposes during the daytime.

HOUSES and POPULATION Enumerated in ENGLAND and WALES at each of the Censuses 1801-71.*

Date of Enumeration.	Houses.			Population.		
	Inhabited.	Uninhabited.	Building.	Persons.	Males.	Females.
1801, March 10	1,575,923	57,476	Not returned	8,892,536	4,254,735	4,637,801
1811, May 27	1,797,504	51,020	16,207	10,164,256	4,873,605	5,290,651
1821, May 28	2,088,156	69,707	19,274	12,000,236	5,850,319	6,149,917
1831, May 29	2,481,544	119,915	24,759	13,896,797	6,771,196	7,125,601
1841, June 7	2,943,945	173,247	27,444	15,914,148	7,777,586	8,136,562
1851, March 31	3,278,039	153,494	26,571	17,927,609	8,781,225	9,146,384
1861, April 8	3,739,505	184,694	27,305	20,066,224	9,776,250	10,289,965
1871, April 3	4,259,032	260,178	37,807	22,704,108	11,040,403	11,663,705

* The Army, Royal Navy, and Merchant Seamen are not included in the above numbers for the years prior to 1841. The Military at home were for the first time returned with the general population in 1841; and persons on board vessels of the Royal Navy and Merchant Service in the harbours, creeks, and rivers of England and Wales were included, as well as the Military at home in 1851, 1861, and 1871. The numbers for 1871 include also the crews of home-trade vessels and fishing-boats out at sea on the night of April 2nd and returned as belonging to English and Welsh ports.

Increase of Inhabited Houses and of Population in England and Wales, between each of the enumerations from 1801 to 1871.

Interval between the Enumerations.		Increase of inhabited Houses.	Increase of Population.	Decennial Rate of Increase per cent. of Population.
1801-1811=10·21 years	. . . . .	221,581	1,271,720	14
1811-1821=10·	. . . . .	290,652	1,835,980	18
1821-1831=10·	. . . . .	393,388	1,896,561	16
1831-1841=10·02 "	. . . . .	462,401	2,017,351	14*
1841-1851= 9·81 "	. . . . .	334,094	2,013,461	13*
1851-1861=10·02 "	. . . . .	461,466	2,138,615	12
1861-1871= 9·99 "	. . . . .	519,527	2,637,884	13
Increase in 70 years		2,683,109	13,811,572	Total increase per cent. } 155 in 70 years }
				Annual increase per cent. 1·348

* In computing the *rate of increase* between 1831 and 1841, the Military returned in the latter year are left out of the account; so also in computing the rate of increase between 1841 and 1851, the Seamen and others on board vessels returned in 1851 are excluded.

POPULATION.

SCOTLAND.

Houses and Population in Scotland in 1871.

	Houses.			Population.		
	Inhabited.	Vacant.	Building.	Males.	Females.	Total.
	419,365	23,381	3,108	1,601,633	1,756,980	3,358,613
Scotland						

Population of Scotland, arranged in Four Groups, showing the Population in each of these during the years 1861 and 1871.

	1861.			1871.		
	Males.	Females.	Both Sexes.	Males.	Females.	Both Sexes.
Principal Towns	407,839	477,116	884,955	501,772	566,711	1,068,483
Large Towns	119,602	134,428	254,030	148,015	162,129	310,144
Small Towns	238,317	264,516	502,833	256,872	283,817	540,689
Rural Districts	684,090	736,386	1,420,476	694,974	744,323	1,439,297
Scotland	1,449,848	1,612,446	3,062,294	1,601,633	1,756,980	3,358,613

Increase of Population in the Four Groups of Districts in Scotland between 1861 and 1871, and the
per centage of Increase in Ten Years.

	Increase between 1861 and 1871.			Per centage of Increase in 10 years.		
	Males.	Females.	Both Sexes.	Males.	Females.	Both Sexes.
Principal Towns	93,933	89,595	183,528	23·03	18·77	20·96
Large Towns	28,413	27,701	56,114	23·75	20·61	22·09
Small Towns	18,555	19,301	37,856	7·78	7·29	7·53
Rural Districts	10,884	7,937	18,821	1·59	1·08	1·32
Scotland	151,785	144,534	296,319	10·47	8·96	9·67

Summary showing by Provinces the total number of Houses in 1841, 1851, 1861, and 1871, and difference in number between 1861 and 1871.

Provinces.	Description of Houses.	Number of Houses.				Difference between 1861 and 1871.			
		1841.	1851.	1861.	1871.	Increase.		Decrease.	
						Number.	Rate per Cent.	Number.	Rate per Cent.
Leinster	Inhabited .	306,459	258,012	236,614	227,108	...	...	9,506	4.02
	Uninhabited	12,320	17,590	10,520	7,928	...	...	2,592	24.64
	Building . .	1,272	593	863	626	...	...	237	27.46
Munster	Inhabited .	364,637	267,073	243,267	234,762	...	...	8,505	3.50
	Uninhabited	12,005	19,417	9,961	6,634	...	...	3,327	33.40
	Building . .	1,023	473	725	550	...	...	175	24.14
Ulster	Inhabited .	414,551	351,882	351,655	344,492	...	...	7,163	2.04
	Uninhabited	21,590	20,679	16,415	11,184	...	...	5,231	31.87
	Building . .	626	520	802	809	7	.87	...	...
Connaught	Inhabited .	243,192	169,253	163,620	153,990	...	...	9,630	5.89
	Uninhabited	6,293	7,577	4,061	2,576	...	...	1,485	36.57
	Building . .	392	282	530	293	...	...	237	44.72
Ireland	Inhabited .	1,328,839	1,046,223	995,156	960,352	...	...	34,804	3.50
	Uninhabited	52,208	65,263	40,957	28,322	...	...	12,635	30.85
	Building . .	3,313	1,868	2,920	2,278	...	...	642	21.99

Provinces.	Number of Persons in					Decrease between 1861 and 1871.	
	1841.	1851.	1861.	1871.		Persons.	Rate per Cent.
Leinster	1,982,169	1,682,320	1,457,635	1,335,966		121,669	8.35
Munster	2,404,460	1,865,600	1,513,558	1,390,402		123,156	8.14
Ulster	2,389,263	2,013,879	1,914,236	1,830,398		83,838	4.38
Connaught.	1,420,705	1,012,479	913,135	845,993		67,142	7.35
Seamen and others at Sea on } Census Night, April 2, 1871 }	...	...	403*	...		...	...
Total of Ireland . .	8,196,597	6,574,278	5,798,967	5,402,759		396,208	6.83

* The 403 persons at sea on the Census night of 1861 were returned upon English shipping forms.

Provinces.	Religious Professions.									
	Roman Catholics.		Established Church.	Returning themselves "Church of Ireland" "Irish Church" "Protestant Episcopalians."	Protestant Dissenters.	Presbyterians and other Non-Episcopal Protestants.	Other Christian Persuasions.	Jews.		
	1861.	1871.	1861.	1871.	1861.	1871.	1861.	1871.	1861.	1871.
Leinster . . .	1,252,553	1,141,401	180,587	170,879	21,550	20,291	2,607	3,210	338	185
Munster . . .	1,420,076	1,302,475	80,860	77,366	10,056	9,622	2,564	929	2	10
Ulster . . .	966,613	894,525	391,315	398,705	543,421	522,774	12,835	14,331	52	63
Connaught . .	866,023	803,532	40,595	36,345	6,127	5,551	389	565	1	...
Total . . .	4,505,265	4,141,933	693,357	683,295	581,154	558,238	18,798	19,035	393	258
	Decrease. 363,332		Decrease. 10,062		Decrease. 22,916		Increase. 237		Decrease. 135	
Rate per cent. .	8.06		1.45		3.94		1.26		34.35	

Emigrants from United Kingdom, 1861-1871.

Years.	English.	Scotch.	Irish.	Foreigners.	Not Distinguished.	Total.
9 months of 1861	18,670	6,063	28,815	2,884	18,801	75,233
1862	35,487	12,596	49,680	3,311	20,140	121,214
1863	61,243	15,230	116,391	7,833	23,061	223,758
1864	56,618	15,035	115,428	16,942	4,877	208,900
1865	61,345	12,870	100,676	28,619	6,291	209,801
1866	58,856	12,307	98,890	26,691	8,138	204,882
1867	55,494	12,866	88,622	31,193	7,778	195,953
1868	58,268	14,954	64,961	51,956	6,182	196,321
1869	90,416	22,559	73,325	65,782	5,975	258,057
1870	105,293	22,935	74,283	48,396	6,033	256,940
3 months of 1871	12,948	1,798	8,594	3,546	855	27,741
Ten years	614,638	149,213	819,665	287,153	108,131	1,978,800

Table, showing Public Income and Expenditure since the Union with Ireland, in quinquennial periods down to 1851, and annually after that time.

Years ending 5th January.	Total Gross Income.	Total Expenditure.	Surplus.	Deficiency.
	£	£	£	£
1802 to 1806	227,933,294	307,414,119	—	79,480,825
1807 to 1811	335,269,162	387,299,015	—	52,029,853
1812 to 1816	373,051,229	505,603,353	—	132,552,124
1817 to 1821	304,341,648	303,588,060	753,588	—
1822 to 1826	297,670,785	278,780,084	18,890,701	—
1827 to 1831	276,577,651	271,145,630	5,432,021	—
1832 to 1836	252,613,730	264,922,734	—	12,309,004
1837 to 1841	257,947,013	263,413,980	—	5,466,967
1842 to 1846	276,016,112	273,353,608	2,662,504	—
1847 to 1851	287,684,496	283,700,661	3,983,835	—
1852	56,772,530	54,046,134	2,726,396	—
1853	57,726,990	55,309,328	2,417,662	—
1854	59,096,667	55,798,146	3,298,521	—
1854 } Quarter to 5th April. }	13,594,639	14,016,246	—	421,607
Year ending 31st March.				
1855	62,969,669	69,124,808	—	6,155,139
1856	70,344,141	93,065,888	—	22,721,747
1857	72,893,313	76,147,202	—	3,253,889
1858	68,001,654	68,240,053	—	238,399
1859	65,623,180	64,802,872	820,308	—
1860	71,205,077	69,610,791	1,594,286	—
1861	70,388,084	72,939,247	—	2,551,163
1862	69,865,057	72,267,656	—	2,402,599
1863	70,604,562	70,345,101	259,461	—
1864	70,209,066	67,849,379	2,359,687	—
1865	70,313,787	67,075,300	3,238,487	—
1866	67,812,292	66,467,450	1,344,842	—
1867	69,434,568	67,223,489	2,211,079	—
1868	69,600,218	71,759,335	—	2,159,117
1869	72,591,992	75,490,909	—	2,898,917
	4,118,152,606	4,390,800,578	51,993,378	324,641,350

All the Parliamentary returns previously issued on this subject may henceforth be laid aside, as many of them materially differ from the latest Blue-books, and these latest figures have undergone very careful examination with a view to making them perfectly accurate

for final reference. The heaviest expenditure was in 1814 and 1815, which included the battle of Waterloo. The compensation for West India slaves was paid in 1836, 1837, and 1838—the greater part, namely, £16,721,346, being charged in 1836; and the total sum, which with interest amounted to £20,978,033, was added to the National Debt. The total deficiency during sixty-eight years is shown to be £324,641,350, while the surplus was only £51,993,378, leaving a net deficiency of £272,647,972, which has been added to the National Debt; but this is only a small portion of the incumbrance of debt, which from 1793 to 1815 amounted to £613,164,615. Therefore, it is evident that our finance was formerly very imperfectly understood.

SUMMARY REVIEW.

Now, taking all these figures as the facts to be dealt with, it may be the most convenient course, for obtaining a clear insight into the working of the present system of taxation, to examine it under the two following heads:—

1. Actual Cost.
2. Indirect Loss.

1. ACTUAL COST.

According to the Government Accounts of Public Income and Expenditure for the Financial Year ended 31st March, 1870, the nett Taxes paid into the Exchequer (exclusive of Post Office, Crown Lands, and Miscellaneous Receipts), were as follows :

TAXES.

Customs	£21,449,843
Excise	21,879,238
Stamps	9,288,553
Land Tax	1,627,883
Assessed Taxes	2,895,123
Income Tax	10,108,589
	<hr/>
Total	£67,249,229
	<hr/>

From the manner in which the Government Accounts are kept, or made out for the Public, it is not easy to ascertain the Costs of Collection and Management of the Revenue Departments; neither is it easy to believe that, the Prime Minister, the Chancellor of the Exchequer, or any other Member of the Cabinet, or anybody else, can do more than *guess* the actual amount of these Costs, a circumstance which greatly aggravates the difficulty of calculating the *indirect* Costs and Losses of the present system. But the fault seems to be much

more in the system than in the book-keeping, though the form of the book-keeping might be much improved. It is easy enough to see, under the present system,—especially when no Balance Sheet is given,—how very large sums of Public Money may be misappropriated yearly without the smallest risk of detection. No efficient check can be provided until the Revenue departments furnish an accurate account of Receipts and Expenditure under each head, and a Balance Sheet be given of the whole Income and Expenditure. This would reveal much which the Public are entitled to have, but cannot now obtain. Formerly the balances and bills outstanding were brought forward in a Balance Sheet; but in the Government Finance Account for 1871–2 the Balance Sheet seems to be omitted. This requires explanation.

In the Finance Accounts for the year ended 31st March, 1870 (pages 14 and 15), two statements were given, showing the exact amount of Public Income and Expenditure for the year; but no Balance Sheet is now given; consequently, there can be no proper Audit, for no audit can be effectual without a Balance Sheet, which is, or ought to be, the first thing an Auditor asks for.

The Cash Account of the Exchequer is the same as usual, but this is only a subsidiary account, and does not show the total Public Income or the total Public Expenditure.

This, if it really be so, must hasten the end of the doomed system.

The Public have no means of ascertaining the actual receipts from Stamps, Land-tax, Assessed Taxes, and Income Tax; nor the actual expenditure of that enormous establishment at Somerset House in its numerous departments. The Legacy and Succession Duties are muddled together, and the Income Tax, under Schedule A. is lumped in one sum.

These are a few instances only in what some may consider small matters, and are given merely as illustrations; but when it is found that, the Government Finance Accounts differ widely from all other statistics, professing to give the Income and Expenditure for the same periods, this encourages suspicion that some of the accounts will not bear close inspection. This suspicion will be greatly aggravated by the want of a Balance Sheet, and can never be removed until the receipts and expenditure of each separate service be fully and clearly presented to the Public.

It is a striking fact that, the Cost of such an establishment as Somerset House, maintained at an enormous annual expenditure, is nowhere to be found.

It is obviously impossible to prevent embezzlement of Public Monies and other frauds, if the Books of Account of all the Revenue departments be not balanced periodically, and submitted to strict and impartial Audit.

No good reason can be shown why the Financial Year of the Government should not terminate on the 31st December. The Government Accounts would then, so far, correspond with the accounts of almost every public and private establishment in the kingdom.

If this simple and most natural mode of proceeding had been adopted, none of those extensive defalcations which have been discovered in the Collection of the Income Tax could have occurred. But it is no part of the present object to show how the Government Accounts ought to be kept; neither is this necessary, for this has been already done, and in a manner which leaves nothing more to be wished for, in the GENERAL BALANCE SHEET of Mr. Henry Lloyd Morgan, already set forth.—But this is only subsidiary to the Government Balance Sheet, without which the Account of Receipts and Payments, however nicely balanced, is

without any check, and is still open to an indefinite amount of misapplication and embezzlement without a proper Audit.

This is no imputation of fraud, but is a serious charge, to say that Accounts are kept in such a form as to be open to fraud without any means of detection.

The following Sums are taken from the Government Estimates of the Revenue Departments for the Year ended 31st March, 1870-71.—

CUSTOMS.

SUMMARY OF CHARGES.

A. Superintending Establishment	£94,100
B. Establishment Of The Port of London	265,803
C. Establishment Of The Port of Liverpool.....	114,198
D. Establishments Other Than London and Liverpool	326,919
E. Law Charges, Subsistence Of Prisoners, &c.	8,300
F. Expenses Under The Merchant Shipping Act.....	5,000
H. Superannuations And Other Non - Effective Charges	172,517
Total Charges & Expenses.....	<u>£986,837</u>

INLAND REVENUE.

SUMMARY OF CHARGES.

A. Salaries, Wages, And Allowances In Addition To Salaries	£923,855
B. Travelling And Subsistence Allowances	46,000
C. Poundage And Allowances To Distributors And Sub-Distributors Of Stamps, &c., And Allow- ance To Postmaster General For Issue Of Dog And Other Licences.....	64,000
D. Ditto—To Clerks To The Local Commissioners Of Taxes	67,000
E. Ditto—To Collectors And Assessors	145,000
F. Salaries In Lieu of Poundage Of Distributors &c., In Scotland	15,040
G. Commission On Remittances	2,500
H. Bank Of England For Clerks' Attendance	950
I. Police	1,890

K.	Rent.....	18,500
L.	Rates And Taxes	500
M.	Fuel And Light	2,500
N.	Furniture (Inclusive Of Office Fittings, &c.) ...	5,741
O.	Gauging Instruments, Dies, And Revenue Locks	3,200
P.	Gas Fitting, Repairs To Engine, And Purchase Of Articles For Stamping Department	2,500
Q.	Maintenance And Repairs Of Buildings	3,265
R.	Postage And Carriage Of Books And Parcels ...	23,000
S.	Advertisements	4,500
T.	Stationery, Printing, Bookbinding, And Gum- ming	62,000
V.	Stamps For Revenue Purposes And Declarations	1,000
W.	Copies Of Poor Rates For Income Tax Purposes, And Copies of Wills In Scotland.....	12,000
X.	Law Expenses	12,500
Y.	Rewards To Officers For Detections, &c.	13,000
Z.	Allowances To Crown Prisoners.....	500
A.I.	Grants To Universities Of Oxford And Cam- bridge	1,000
B.I.	Incidental Expenses	1,500
C.I.	Superannuations And Other Non-Effective Charges	189,310
Total Charges and Expenses.....		<u>£1,622,751</u>

SUMMARY.

Costs Of Customs	£986,837
„ Of Inland Revenue Stamps and Taxes.....	1,622,751
Costs Of Customs And Inland Revenue, } Stamps & Taxes	<u>£2,609,588</u>

Here is an expenditure of £2,609,588 for Costs of Collection and Management of the Customs and Inland Revenue Departments, as estimated, according to the Government Accounts, for the year ending 31st March, 1870-71.

It is manifest on the face of these Accounts that, this sum is very far short of the actual amount, but the actual amount it is impossible to discover.

The chief authority at Somerset House, (to whom

application was made on the occasion of the former edition of this book in 1862) said in answer that, the expenses of that enormous establishment, for the Collection of Stamps and Taxes, were all included in the Government Financial Accounts for the year, under the head of Inland Revenue; but in vain is that Account searched for the particulars of these expenses. If included, the mode of entry effectually baffles all investigation.

Under the Statute 24th & 25th Vict. c. 103, sec. 19, the whole expense of collecting the Inland Revenue, which comprises Excise, Stamps, Land Tax, Assessed Taxes, Licences, and Income Tax, is voted by Parliament in One Vote.

The chief authority at Somerset House, in answer to the special application made to him for more particular information, wrote as follows:—

“There is no separate Vote or Estimate for the different branches of Inland Revenue, nor can there be, the same person being, in many cases, employed in the collection of every branch. The expenditure is accounted for in the Finance Accounts annually laid before Parliament.”

This is, no doubt, a correct though a very unsatisfactory answer. It does not require much knowledge to see that, the Revenue from Excise, Stamps, Land Tax, Assessed Taxes, and Income Tax, amounting altogether to £45,799,386, cannot be collected and paid into the Exchequer at so small a cost as £1,622,751 or 3·543 per cent.—But in the absence of fuller information, this must be taken as the actual Cost of Collection of the Inland Revenue.

The same reasoning applies to the Customs Duties amounting to £21,449,843, and the Cost of Collection, £986,837, or 4·6 per cent.

No one acquainted with the working of the system of

Customs and Excise can doubt that, the actual Cost very much exceeds these sums. But taking these as the actual Costs of Collection, as charged in the Government Financial Account for the Financial Year, ended 31st March, 1870-71, the Account stands thus:—

SUMMARY OF ACTUAL COST.

	£.		£.
Customs	986,837 or 4·6	per cent. on	21,449,843
Inland Revenue, Stamps and Taxes	<u>1,622,751</u> „ 3·543	„ „	<u>45,799,386</u>
Total . .	<u>£2,609,588</u> or 3·88	per cent. on	<u>£67,249,229</u>

To show how little reliance is to be placed on these figures, taken from the Government Financial Account, it will be sufficient to compare the foregoing figures, purporting to show the Costs of Collection of Customs and Excise Duties, Stamps and Taxes, with the following taken from the Table No. 7. page 10, of the Government Statistical Abstract for the same year, 1870-71.

For the present purpose it will be sufficient to extract the figures for that year only.

No. 7.—CHARGES for COLLECTION of REVENUE, SALARIES and MANAGEMENT of REVENUE DEPARTMENTS,
in each Year ended 31st March, from 1861 to 1871.

Years ended 31st March.	Customs.		Inland Revenue (Excise, Stamps, Taxes, and Income Tax).		Post Office (including the Telegraphic Service, from 1st January, 1870).		Total.	
	Gross Revenue.	Charges of Collection issued out of the Exchequer.	Gross Revenue.	Charges of Collection issued out of the Exchequer.	Gross Revenue.	Expenses and Charges of Department (including Packet Service).	Revenue from Customs, Inland Revenue, and Post Office.	Charges of Collection of Revenue.
1870	£. 21,529,000	£. 979,918	£. 45,555,000	£. 1,577,884	£. 4,996,210	£. 3,597,552	£. 72,080,210	£. 6,155,354

Comparing these figures from the Statistical Abstract, with the figures from the Government Financial Account (page 26), it will be seen that, none of these figures agree; in one account the amount being given in the *Gross*, and in the other the amount being given *Nett*,—the Charges for Collection being *not* deducted in the one, and being deducted in the other. But after adding and deducting the Costs of Collection to and from the sums total in these accounts there is still no agreement in these figures, nor could there be any agreement, the Costs of Collection differing in both these Accounts.

In this way, dealing with such large sums, hundreds of thousands may slip through without the possibility of detection.

These differences may be open to explanation and may be accounted for to remove every imputation of misappropriation or fraud; but an Account should be so clear on the face of it as to require no explanation. No imputation is here made or intended, but a distinct charge is made of error to an unknown amount, and that no Account can be free from this charge under the present system of collecting the Revenue by Customs and Excise Duties.

THE BOARD OF CUSTOMS.

Under this heading will be brought together some of the more prominent inconsistencies and manifest absurdities of the present system. To bring together all these obstructions to Trade would be an impossible labour, and the present undertaking is sufficiently laborious.

But this will be labour lost without the reader's close attention to these unavoidably tiresome details, and, after all, much must be left for the reader's own conclusions.

It is well known that, a majority of the small country Custom Houses do not pay their expenses by the revenue they collect, and it is difficult to regard the coast-guard as other than an utterly useless force. The detail work of the Customs is so needlessly complicated that, it can hardly be with any other object than of employing as large a staff as possible, for the vast reductions of Customs duties of late years have not led to anything like a corresponding reduction in the number of hands employed. Several posts formerly important, but now reduced to the merest sinecures, are still paid at the old rate of remuneration.

No business man can be found who would not complain of the obstructiveness of the Customs officials, of the needless complication of the returns and papers they require, and of the endless difficulties raised at every step. For instance, it appears incredible that, the trade of London should have to make out the whole of its Customs' papers in duplicate or triplicate, and to lodge them in different offices for the convenience of different sets of books needlessly kept by the Customs, instead of the one set really necessary. Ludicrously intricate details are required on each of these, and everybody that knows anything about it must know that half of the subordinate Clerks in Thames Street might be saved by a proper simplification of the books, while the labour involved to merchants in clearing their goods would be halved. A large staff is also employed in keeping up statistical returns, which, owing to the long delay in their issue, were, until quite recently, useless for practical purposes, and which might, without expense, be obtained, without any lengthy delay, from the wharfingers, while these returns, to cause a further needless multiplication of work, are checked by the officials of the Board of Trade. Custom Houses, in any shape, must always be most vexatious to traders,

and greatly increase the cost to consumers, but the Thames Street establishment seems designed to do the least work, at the greatest possible cost, and, at the same time, to inconvenience the public to the utmost limit of their endurance. If any one wishes to see the "How not to do it" system in full force, he had better visit the establishment of Her Majesty's Customs.

The clearance of goods through the Custom House is so generally done by junior clerks that, few principals of firms are aware of the astounding imbecility of the rules of the Board under which goods are imported, exported, or delivered for home consumption. By these rules the Commissioners of Her Majesty's Customs convert that which should be a very simple operation, into a most complicated piece of business, requiring a life-time to understand, and employing the time of thousands of mercantile clerks in London alone, while the swarms of officials which the system enables the Commissioners to keep elaborately employed in useless labour, may be gathered by any one who will visit the Custom House with a determination not to be diverted by misrepresentation and deceit from finding out the truth for himself.

Now, to take the instance of a small shipment to Australia :—if the goods were relieved from a senseless supervision on the part of the Customs on Export, all that would be required would be one or two delivery orders, with half a dozen words written upon them, for delivery of the goods to the railway or other carriers. But whether the goods be duty free or not, the Customs on Export keep up a senseless supervision, for in no case can the Customs possibly lose on Exports.

Suppose the case of goods exported by Thomas Brown, of Eastcheap, to Melbourne. However incredible it may appear, the collective length of the papers required is twenty-five feet nine-and-a-half inches, and

their breadth twenty-eight feet two inches, to be filled up by Thomas Brown's clerks before the goods can be put on board ship. The whole of these papers, thirty-eight in number are, with one or two exceptions, printed at the cost of the nation and presented free to the shipper, but that unfortunate person has to keep the clerks who waste *their* time and *his* money in filling in these papers to the minutest details. By the average of forms, the length of a single Customs form (including the duplicates and triplicates made out for the convenience of the Custom House) may be taken at 9 inches, and its breadth at $8\frac{1}{2}$ inches.

By Return, 393, the number of entries and despatches, used by the Public alone and required for the Import and Delivery of goods only during the year 1868, was 2,350,000 in the United Kingdom. There are, at a moderate calculation, at least three forms required to any entry; multiplying 2,350,000 by 3, we arrive at 7,050,000, as the number of Customs forms used by the public solely for the entry and delivery of goods; excluding from this calculation all the forms made out by the Customs for themselves, and all the other multitudinous forms which have to be filled in by the public. The collective length of the Entry and Despatch forms would be 1,760,000 yards, or a collective length and breadth of 2000 miles. A clerical error, however slight and obvious, in any of the forms, insures the stoppage of the entry and the return of the papers, as the Customs never correct an error, even when papers are made out in triplicate, and when a discrepancy is a manifest mis-copy, caused by weariness of the flesh, induced by copying meaningless details over and over again.

In the twenty-five feet nine and a half inches by twenty-eight feet of papers necessary to ship the goods mentioned above, to the satisfaction of the Customs, the

following particulars have to be repeated some dozens of time. 1. The persons by whom the goods were originally warehoused. 2. The Ship by which the goods were imported. 3. Her Captain's name. 4. Where she came from. 5. The Shipper's name. 6. Where the goods are going. 7. By what ship. 8. Her Captain's name. 9. Where the goods lie. 10. Where they are to be shipped. 11. The import mark and numbers. 12. The export mark and numbers. 13. The carman's name. 14. The tonnage and country of the exporting ship.

Such are the ridiculous and complicated formalities attending the very simple matter of shipping a few barrels of Currants, a few cases of Figs, a few chests of Tea, and a few Bags of Rough Rice for Australia.

But suppose the present order of things overthrown, and Mr. Brown's Currants were shipped to Australia without the twenty-eight feet of Customs papers or any papers, and suppose any case, could any loss occur to the Customs? It is well known at the Custom House that, the Revenue could not possibly lose one farthing. What will the Public say and do when they know this?

If Brown were foolish enough to pay the duty before exporting his currants he would be the loser and the Revenue the gainer. If he did not pay the duty but exported the goods, the gross Revenue would be in the same position as it now is, but the Nett Revenue would gain by saving the cost of twenty-eight feet of paper, endless clerks labor at the Customs, the attendance of a Searcher, the cost of gimlets and boring holes in Mr. Brown's barrels of currants. In short, no honest person of common sense can doubt that, the Customs supervision of the Exports of dutiable goods is a clear loss to the Revenue, and that the sole object is to employ unnecessary hands and to fetter trade. If this be true of dutiable goods what possible justification can

there be for a supervision of duty-free goods on Export? None whatever. It is a disgrace to the Government that permits such a profligate and cruel waste of the hard-earned wages of the People, and should not be allowed to continue for a single day.

I pass over the appalling forms required for exporting British Refined Sugar under Drawback. To make the explanation of this monstrous mass of mischievous imbecility intelligible to the uninitiated would require, at least, a hundred of these printed pages, and more brains and patience than the Public are supposed to possess.

What a system that must be which requires, for working it, such an inconceivable mass of rubbish as this!

I had intended to give fac-simile copies of the Custom House printed forms of Entry, Warrants, Landing Orders, and innumerable other documents required to be filled up for the import and export of Goods, and for this purpose, with much trouble to myself and to others in the Trade, I brought together a collection pronounced by the initiated to be complete. But when I contemplated this mass of rubbish (to display which would have required a Supplementary Volume of unusual size with leaves inconveniently doubled up like a book of maps), to spare myself and readers I abandoned the notion, though the sight of this mass of rubbish would have been worth more than any description. The variety of Ledgers and Account Books, with very special and complicated ruling, thus imposed on the wholesale merchant, to meet these forms, is far beyond description, and the additional number of Clerks thus required in every great Mercantile House must be left to the imagination!

The only effectual reform can be by sweeping away at once the whole system of Customs and Excise. The Government Establishment in Thames Street might

then, with great profit to the country, be sold to the Trustees of Billingsgate Market.

After these public exposures, now for the *fourth* time repeated in this 4th Edition of "The People's Blue Book," ignorance will be no excuse for the much longer continuance of this shameful system, which is robbing the working classes of two-thirds of their wages of labor, and leaving the Country open to internal dangers, which threaten the very existence of the British Monarchy and State.

The amount of money and time the present system of Customs and Excise costs the Country is incalculable. But, in addition to these vexatious hindrances to Trade, there are the Costs of the Coast Guard and the expenses unappropriated in detail, in the Estimates, to each Port. At many of the Ports the Custom House expenses exceed the Revenue collected!

This scandalous fact is not generally known to the Public, but will presently be shown from Official documents, where the details cannot be withheld, though the full consequences are attempted to be disguised by information withheld and facts misrepresented, not by the Government, but by the Custom House authorities.

The evidence of the evils of this system is to be found in scattered details far too numerous to be collected together in the limits of these pages, but the following may be sufficient to show the little reliance to be placed in the Official Returns of Customs Duties. The gross produce of the Customs, deducting drawbacks, as given on page 81 of the Customs' Report for 1868, was £24,099,617. The total grants to the Customs, of all kinds and including pensions, &c., for 1868-9, was £1,024,664, and to the Coast Guard, £728,000 (estimated from page 21 of Navy Estimates, 1869-70).

The total cost of Collection was thus:—£1,752,664, or £7 : 5s. per cent.

The Customs' department in Appendix G. calls the rate of Collection £3 : 5 : 10 per cent.

This is manifestly erroneous.

The rate of £7 : 5s. — per cent. is the gross cost of the Government alone, and for collecting the nett Customs Revenue is £7 : 16s. Deducting the £1,400,000 of British Spirits, formerly collected by the Excise, but now collected by the Customs in order to make their doomed department appear more important, £8 : 7 : — per cent. is the cost of collecting the nett revenue on goods properly belonging to the Customs' department.

Nearly the whole of the Customs' expenses are salaries, which form only a small per centage of ordinary mercantile charges. The Customs do not allow anything for the Nation's capital locked up in their expensive premises all over the kingdom. The site of the Thames Street House alone is, probably, worth half a million of money.

I state, on the authority of one of the largest wholesale houses in the City of London, that, their total per centage of expenses of all kinds to turn over is 2 per cent., including 5 per cent. interest charged on capital, bad debts, rent, postage, inland revenue stamps, taxes, dock-charges, salaries, etc. (from all of which, except salaries, the Customs is exempt). This business though very large is one of details entirely.

A merchant's expenses, who deals in very large quantities only, would be an interesting comparison with Customs' expenses. As it is, we find the expense of a business of infinitely greater detail than the Customs to be only 2 per cent. of the turn over, while the Customs manage to expend £8 : 7 : 0 per cent.

Here is a difference so monstrous, showing such a shameful loss to the Nation that,—any one may be excused for expressing astonishment and indignation, even at this alone !

What can be said for a system so conducted, and who can calculate the aggregate cost and loss to the Nation of such a system, even admitting the management to be perfect?

What will the People say when they understand these facts and figures, which no one dares dispute, for this statement is intentionally understated, lest it should appear on the face of it incredible to the inexperienced in these matters?

Particular attention should be given to the details of the cost and nett revenue, for it is only by close examination that, the immense sums left unappropriated in detail can be discovered, and any notion formed of the fearful amount of loss to the Nation caused by this system.

To gather up all the Losses is impossible.

As the public income and expenditure are now attracting much attention, the following reference to the Report of the Commissioners of Customs may be interesting to many.

The nett receipt of Customs' duties in the United Kingdom in the year 1868-9 is stated in Appendix E, to be £22,411,783.

The gross receipt of Customs' duties in the same year is stated in Appendix G, to be £24,389,963, and the Cost of Collection is there stated to be £793,413.

But the Cost of Collection in that year was £1,725,550, including Coast Guard and Pensions, &c., showing an error of £932,137!

These figures are not from an Official Return, but are from a laborious investigation of many Official Returns, far too lengthy to be transferred to these pages, but a Summary of these figures will be here given. The Commissioners of Customs cannot be ignorant of this inaccuracy. They affect to regard the Coast Guard as belonging to the Navy and not to the Customs; but

they must know that, the Coast Guard is part of the system for the prevention of Smuggling.

According to the Official Return for 1868-9 there are 34 separate Custom House Establishments where the Expenses of Collection exceed the amount collected. These Expenses show a very large yearly *dead loss* to the country, the only benefit being to the Custom House Officers and their families, who are thus comfortably provided for in idleness by the Country.

In the Official Return of Custom House Establishments for 1862, given in full in the 3rd Edition of "The People's Blue Book,"—amongst the long list of Ports at which the expenses exceed the receipts, are Guernsey, —where the Salaries and Charges entered were £1,169—Gross Amount Collected £49—Rate per cent. of Cost of Collection £2,385 : 14 : 3. Jersey,—Salaries and Charges £1,741,—Gross Amount Collected £154—Rate per cent. of cost of Collection £1,130 : 10 : 4.

In the Table of the Return for 1868 are enumerated the Ports and Towns in the United Kingdom where Custom Houses are placed, the number of Custom Houses being 132. These are divided into 9 classes.—Class I. contains 34 Custom Houses, the Costs of which exceed the amount of revenue collected by them. This excess of cost is charged as "Loss to the Country." The other eight classes, showing an excess of revenue over the Cost of Collection, are entered as "Gain to the Country." But the whole of this revenue is indirectly a Loss to the Country, as shown in these pages.

It must have been well known to the Commissioners of Customs, though ignored by them, that, the Imports of dutiable goods occurred only at 10 out of the 132 Custom Houses and that, the remaining 122 would have collected no Revenue at all but for the system of allowing Removals Coastwise under Bond,—a system which, when duties were much larger and ten times

more numerous than they are now, had some show of justification, but is now worse than useless, as it simply maintains swarms of obstructive Custom House Officers where they are not wanted.

Tea may be taken as an example, being a case where almost all the Imports are at one Port,—that of London.

Suppose the case of a Country Buyer, who keeps his Tea stock in London. All that he has to do, when he requires any portion of his stock, is to send an order by Post, or by Telegraph to London. The duty is then paid on the quantity he requires, and the Tea is sent to his order. He certainly loses a day's interest of money on the duty paid, but this is an infinitesimal loss. If all the Tea revenue were collected in London, very many of the small Custom Houses would lose their *raison d'être*. A system, therefore, no longer of any practical use to the Public, is kept up, and removals of Teas in Bond are allowed from London, after many strange documents have been filled up by the Buyer or his Agent. The goods on arrival at a Minor Port are re-warehoused, with all the ridiculous formalities, pretended to be necessary, but, in fact, necessary only for the employment of useless hands. A staff is kept up to watch the Teas and to interpose difficulties in getting them out of Bond. Finally these difficulties are overcome, and delivery is taken in detail on the duty being paid. The practice is no longer any real convenience to trade, but it gratifies local vanity to have one's name in the paper as paying duty on so much Tea imported from China. Many Grocers remove their Tea under Bond with no other object than to '*support*' their local Custom-House and to swell its returns. Of course, it gratifies Her Majesty's Commissioners to promote such feelings. No revenue *at all* would be collected at 122 out of 132 Custom Houses, unless an artificial system

of supplying them with fictitious Imports were kept up. So obliging, indeed, are the Commissioners that, they have lately started Inland Custom Houses at Manchester and elsewhere, which they imagine cost nothing, because the people of the towns in which they are established pay the expenses, instead of charging them on the country at large !

According to the Government Return for the year, ended 31st March, 1870, there were 129 Custom Houses at Minor Ports : three Inland Custom Houses : and Liverpool and London. Out of these 129 Minor Custom Houses, 71 showed a loss to the Revenue. This loss, amounting to £352,719, was just balanced by the receipts at 33 other Minor Custom Houses. Therefore, out of the 129 Custom Houses at Minor Ports, only 25 showed a nett gain to the Revenue !

It is very important to know in detail how the public money is spent by the Commissioners of Customs, but all the returns are drawn up in a manner so confused and contradictory that, this is impossible.

No Balance Sheet is given, showing the cost and revenue of each Custom House establishment, though this is the first and most essential document for a correct understanding of the account, as well as for an economical administration of the money. The astounding facts disclosed in the returns show enormous losses to the revenue, and at the public expense, though, in such confusion and contradiction, the exact amount of these losses may escape detection.

This astounding fact, however, is clear enough, that, out of 129 ports no less than 71, costing £519,867 a-year, not only do not collect their expenses, but show a loss to the Revenue of £352,719. It is evident that, the expenses paid by the public to keep up these useless establishments must be added to show the whole loss, and we thus find that 71 Custom-houses are a loss of

£872,586. Following up these 71 houses, the next class of 33 only balances the loss shown by Class 1; so that it is evident that, out of 129 houses, no less than 104, costing £792,433, do not yield a farthing to the revenue. Surely, this is a monstrous state of things, and requires to be dealt with by a strong hand.

Incredible as these facts must appear to many, this is simply one example of Her Majesty's Commissioners of Customs. But every detail of their business shows facts quite as damaging. The hindrance to trade and the fearful increase of expense to those engaged in the trade can be conceived only by those who have to do the work required to keep the standing army of 12,646 officials *apparently* occupied.

The outworks by which the Commissioners of Customs defend the revenue are no less complicated and vexatious than the duties, and the manner in which the duties are levied. It is not found necessary by the Excise to establish a cordon of officers round every town and village in the kingdom, and as illicit distillery can be carried on in any house it must be more difficult of detection than smuggling. Goods brought by sea cannot easily escape notice, for the entry of the ship, or even of the boat, into harbour, is almost certain to be watched by many curious eyes. Notwithstanding this, the Customs think fit to employ the coast-guard, at an expense, in 1869-70, of £739,000 per annum. Not content with this expense and with having the whole coast, however inaccessible, continually patrolled by night and by day, the Customs go further still. By the Customs Consolidation Act of 1859, the Commissioners have the power of declaring what shall and what shall not be ports. In consequence of this extraordinary regulation, the Customs have divided the coast into three classes.

1. Those places at which no importation or exportation of goods, dutyable or *free*, is permitted. 2. Places

which, though free to import and export goods in general, are under special restrictions or disabilities—as, for example, with respect to the importation of wine or tobacco, the bonding of dutyable goods, or the testing of wine for duty. 3. Places which, under the most vexatious restrictions, are authorised to import goods of all kinds, and also as warehousing and testing ports.

It is possible to understand the idea of limiting the import of *dutyable* goods to certain ports, though this power seems a monstrous one to be placed in the hands of any Government department. But it is difficult to see any reason why, with a coast guardsman for every mile of the coast it should be thought desirable to prohibit the import of *free* goods, or the *export of dutyable or free goods, by neither of which the revenue could lose a farthing*. The owners of sea-side or river-side property are deeply interested in the alteration of arrangements, which must depreciate the value of their land. An unnatural distribution of trade, both internal and foreign, must be the consequence of Government Officials ordaining that, here and there only shall maritime commerce be carried on, commanding that rivers should flow to the sea in vain, and saying to the sea—“Hither shalt thou come, but no further.”

Among other senseless restrictions, tea, on importation, is required to be placed in a warehouse or floor specially set apart for its reception. In the Imperial tariff, the list of ports at which goods may be warehoused, may be found at pages 57 to 61, and it will be seen that, in nearly every case there is some senseless restriction of trade.

The value of dutyable goods retained for home consumption in the United Kingdom, in 1870, is estimated at £35,000,000.

The total value of imports and exports of all produce into the United Kingdom was no less than £443,775,721.

Thus, less than one-twelfth in value of the goods imported and exported yield any Customs' duty, but the mischievous and costly interference with every detail connected with the import and export of the remaining portion is still permitted.

For entering free goods, which can be done only at ports arbitrarily named by the Department, two Customs' forms with full particulars are still required, and these cause a delay in obtaining delivery of several hours, besides the costly system which has to be kept up by the importers.

For exporting free goods a further form is required, and, as before said, free goods can be exported only from ports fixed by the Board of Customs. For the warehousing of dutyable goods, the importer has again to fill up forms which are quite unnecessary, as the destination of the goods could always be reported by the official on board the ship, and much greater use might be made of the Captain's manifest, both in importing and exporting goods. The wharfinger could also be utilised to a much greater extent than at present.

The system of removing goods coastwise, under bond, is no longer required by traders to the same extent as when Customs' duties were very much heavier and more numerous, before the days of steam and telegraph, when great delays often took place before goods could be obtained. Now, goods can be sent from one end of the railway system to the other in two days, and generally in one day. It always takes a clear day to obtain delivery from the clutches of the Customs. It may be said, however, that, the delay in obtaining goods from the port of import, if removals coastwise under bond, for home consumption, were forbidden, would, on the average, not exceed one day. One day's interest on £20,000,000—the amount collected by Customs' duties,—is £2,739. Taking the wholesale value of dutyable

goods at £33,000,000, there would be a further loss of one day's interest on the bonded value of £4,518. It is, therefore, within bound to say that, the loss of interest of money in delivering dutyable goods from any one place to another in the Kingdom does not exceed £10,000. Out of 133 Customs ports in the United Kingdom, probably 10 would collect the entire Customs' revenue, if removals coastwise under bond for home consumption were prohibited.

The system may, therefore, be said to maintain 123 Custom-houses, costing something like a million and a quarter per annum ; so that, the gain to the Country would be enormous, simply by making it necessary to pay duties in the port of import. If the Customs were amalgamated with the Excise, there would then be no great difficulty in allowing any and every port in the kingdom to import and warehouse dutyable goods in bond, nor would it be necessary to prohibit removals coastwise under bond, of goods designed for export.

In this way, as thorough a system of free trade as is possible during the existence of Custom-houses would be established. Apart from the question of allowing removals coastwise under bond at all, the present system is unnecessarily complicated. As an example, take the method of sending spirits in bond from one port to another. Three forms of a most portentous character are required, on which the greater part of the particulars have to be repeated by the consigner no less than four times. The number of gallons of spirit in the cask on landing, together with their alcoholic strength has first to be ascertained, and the form upon which this is done, contains seventeen closely ruled columns, which have all to be filled in. After the consigner has filled in the landing measure, he has to take the form to the Custom House in Thames Street, to be signed by an official technically called a controller ; the consigner has then

to take the form to the wharf where the goods lie, which is, probably, a mile from the Custom House. The Spirits are then re-gauged by the Gauger, who signs the document and hands it back to the consigner. The latter takes it back to the controller with another form attached, technically called the locker's Order, though it is headed "Legal Quays No. 9." The controller signs the locker's order, which the consigner finally takes to the wharf, having had to walk six miles in the different operations, and to spend the whole of a business day in fulfilling these absurd formalities. It may be added that, should the Spirits evaporate in bond before removal, the owner has first to pay the duty on the number of gallons lost.

The forms for removing other goods under bond are almost equally ridiculous, and should any loss take place in transit, the owner has to pay the difference. The goods on arrival at the outport have to go through numberless operations, and to be formally taken in charge by the Customs a second time; then all the forms have to be filled in, for paying duty before the owner can obtain the goods. The Customs thus manage to do the work four times over in such cases. When goods are moved under bond to an outport for the purpose of being exported, seven forms are called for, with particulars of a most appalling character. Ordinary legal proof of the actual export of the goods is not sufficient, and should the bonded carman by any accident omit to comply with the regulations, the consigner is called upon to pay the duty on goods which have actually left the country.

When it is desired, instead of warehousing any portions of a cargo, to transfer them from one vessel to another, a Customs' officer accompanies the goods in their journey by lighter; notwithstanding this, the owner has to fill in three forms, to enter into a bond,

and to fulfil numerous other technicalities. Page 62 of the Imperial Tariff deals with ships' stores, and it will be found that, they can only be used in bond in ships of a certain size, while more than a quantity laid down by the omniscient Board of Customs as the proper consumption of a ship's crew cannot be taken on board any vessel. Again, no warehoused goods can be exported from the United Kingdom to foreign ports, in ships of less than 50 tons burden. It is difficult to see how the maintenance of any of these restrictions can have the slightest effect in guarding the revenue. As the revenue cannot suffer by the transshipment of goods from one ship to another, nor by the export of ships' stores, nor of dutiable goods in vessels of less than a certain size, it is difficult to understand why any Customs' formalities should be required for such operations.

In exporting goods liable to duty, the revenue is the gainer, if the owner have first paid the duty in error, and if he have not paid the duty the revenue cannot possibly lose. Yet the Customs' officers find artificial work for their men, and throw a vast expense upon merchants, by requiring no less than eight forms to be filled in before such goods can be exported.

Of the operations required for shipping goods, enough has been already inflicted on the reader.

The amount of detail into which even this short description has led will give some idea of the complication of the system. Needless complications and absurd rules have been disclosed at every stage in these proceedings. The manner of paying the duty and the manner in which the duty is levied have been shown to be not only ridiculous, but mischievous and costly in the highest degree. The outworks thought necessary to protect the revenue could hardly be more senseless, and whether in removals coastwise, in transshipments in the imports and exports of free goods, and the export of

dutiable goods, the aim appears to be to make everything as intricate and confused as possible. After such a narrative of imbecility, to use the mildest term, the enormous cost of the Customs ceases to surprise, and it is no longer a wonder that two-thirds of their work is a loss to the country; nor can there be any doubt that, the remaining third, necessary only till the revenue is raised by direct taxation, could be done at one-fourth of the present cost.

To attempt to cope with such an organised waste of the public money by the proposed consolidation of the warehousing establishments into *three* branches, is simply absurd, and if this be all that is to be done, the present Government will give as little satisfaction to the Public in this as in most other attempts at administrative reform. There can be no satisfactory reform of the Custom House but by its abolition.

Much more might be added on Customs' reform, and on the proposal for amalgamating the Customs' department and the Board of Inland Revenue, but that is no part of the present purpose, the object being,—the total abolition of Customs and Excise duties.

It will be seen from the foregoing account that, to give a full and clear description of Customs' routine, (if that were possible) would very far exceed the limits of this volume, and that, such a description, if readable, would be unintelligible to most readers. The following is, therefore, given only as a slight sketch of a few of the *impedimenta* in what are called,—“over-entries,”—that is, of amounts over-paid to the Customs, either through their error, or that of the firm which made the payment.

For the convenience of a name, the payer of the duty shall be Mr. Smith.

If an over-payment be made by Mr. Smith's Clerks, he must write to the Customs and request them to send

him an Official notice that, he has made a mistake. On receiving this he must sign the paper and petition that an over-entry-certificate may be made out in his name. When an over-payment is discovered by the Customs themselves, the formal notice is sent to Mr. Smith by them. He signs this as before, returns it and petitions the Board for a certificate of over-entry. After waiting two or three months, he goes in person or sends a specially authorised clerk to the over-entry Department of the Custom House. The first job is to search through the over-entry ledger under the initial S,—all the firms whose names begin with the same letter being jumbled together. Having discovered in this long list of names all the over-entries that belong to him,—this particular Mr. Smith,—he makes a list of them and hands them in to the clerk.

After some delay, he receives the certificates of over-entry, which enable him to recover the sums due. Mr. Smith then has to sign these certificates, and to wait until a slip of their amount is made out, which he has then to take to another office, wait again, and finally to go on his way rejoicing,—perhaps only 2*s.* 6*d.* richer for his trouble, and to get which, at last, the unfortunate Mr. Smith has to spend a forenoon in Thames Street. This 2*s.* 6*d.* may have been due by Government to Mr. Smith five or six years.

If Mr. Smith's clerks, by an error, not necessarily their own and very possibly the Customs, pay in too little, the case is very different. The entry is stopped and the goods are kept waiting till the amount is paid.

It is well known in the Trade that, unless the Customs themselves were in error no over-payment could possibly be made,—for the Customs ought to refuse to accept too much money, as they already refuse to accept too little money.

Having examined thirty over-entry certificates, each

measuring about 18 inches by 11 inches, these cover no less than 45 square feet, and contain, or will contain before they are done with, 324 signatures of various Custom House clerks. The total amount of the over-entries is £64, or 19s. 3d. each ; thus there are, — — it may be assumed, five different signatures, in different departments for each £1 returned.

To take one more case of inconceivable absurdity :— When goods are exported, the Searcher, before the goods are put on board ship, solemnly bores a gimlet hole in each case. If it be, as it often is, tin-lined, injury to the gimlet prevents this proceeding, and the Searcher only gazes earnestly at the case, as if by contemplating the outside he could see into the inside. As a further protection the Searcher should take a photograph of the exporter and his package, also of the ship's Captain, his Mate and Boatswain ; but this further precaution is omitted by the Customs. The best of the joke is in the well-known fact that, the Revenue cannot possibly suffer by the *Export* either of dutyable or duty free goods !

In pointing out the inconsistencies and absurdities of our system of Customs and Excise it is difficult to confine the comments within reasonable limits, or, in the multitude of instances destructive of all confidence in the system and in those employed to carry it out, to know what instances to select for more particular notice. These remarks, however, shall be brought to a conclusion with an instance of something more than inconsistency and absurdity in the Accounts rendered by the Customs' department to Parliament and the Country, as appears in the Official documents here referred to.

The following is part of the Table in Appendix G. in the 15th Report of the Commissioners of Her Majesty's Customs on the Customs ; presented to both Houses of Parliament, by command of Her Majesty.

CUSTOMS REVENUE OF THE UNITED KINGDOM.

Years ended 31st March.	Gross Receipts. ¹	Charges of Collection.
	£	£
1861	23,516,821	769,663
1862	23,937,772	733,208
1863	24,339,083	726,517
1864	23,569,101	741,791
1865	23,004,762	759,207
1866	22,494,920	772,888
1867	23,670,593	784,453
1868	24,389,963	793,413
1869	24,248,417	802,967
1870	23,566,893	799,351
	£ 236,538,325	7,683,458

The following is part of the Table No. 7, from the 18th No. of The Statistical Abstract for the United Kingdom.

Presented to both Houses of Parliament, by command of Her Majesty.

CUSTOMS.

Years ended 31st March.	Gross Revenue.	Charges of Collection issued out of the Exchequer.
	£	£
1861	23,305,776	1,025,848
1862	23,674,000	1,006,527
1863	24,034,000	990,927
1864	23,232,000	976,601
1865 ..	22,572,000	986,364
1866	21,276,000	988,265
1867	22,303,000	1,000,465
1868	22,650,000	989,925
1869	22,424,000	994,369
1870	21,529,000	979,918
	£ 226,999,776	9,939,209

These two Returns purport to show the Revenue from Customs Duties, and the Cost of Collection, for the Ten Years from the 31st March, 1861, to the 31st March, 1870, and were presented by the Government to both

Houses of Parliament by command of Her Majesty. It might naturally be assumed that, these two Returns by the same Department, though made at different times, for the same duties and for the same years, would correspond in figures and amounts, but those who will take the trouble to compare them will find that, they correspond neither in figures nor amounts.

This is easily seen by the following amounts, thus:—

The Commissioners of Customs in the Table of Appendix G. to their 15th Report, give the Gross Receipts for the ten years.....	£236,538,325
In the Table No. 7 from the 18th No. of the Statistical Report, they give the Gross Receipts for the same years	226,999,776
Difference	<u>£9,538,549</u>
Charges of Collection according to the Statistical Abstract	£9,939,209
Charges of Collection according to the Commissioners' Report	7,683,458
Difference	<u>£2,255,751</u>

Here is a difference in the amount Received of £9,538,549; and a difference in the amount Paid of £2,255,751.

Who is to learn from these Accounts what have been the actual Receipts and Payments during these Ten Years?

And what is the use of presenting such Accounts as these to Parliament and the Public?

And who can check such Accounts as these, from which millions may be misapplied or abstracted without the possibility of detection?

No doubt, explanations can be given. But what are explanations worth without proofs, and who can follow proofs through such details as these, requiring Custom-house official papers which, spread out, would cover some square miles of space?

This may suffice to show how hopeless must be any attempt to give the Cost of Customs' duties.

2. INDIRECT LOSS.

As there can be no certain data for Estimates under this head, it is needless to say that, the following Estimates must be uncertain.

But long experience of the effects upon Trade and Industry by the repeal or reduction from time to time of the duties of Customs and Excise on staple commodities and necessities of life furnishes very fair ground for calculating the probable effects upon Trade and Industry if this most obnoxious and unjust system were abandoned, and all these duties were abolished.

It is not so much the present object to show the exact amount of loss from *indirect* taxation, as to show that, there must be a very great loss, which might be saved by *direct* taxation. To pay a direct tax costs nothing more than the tax itself, and the cost of collecting it. With Customs and Excise the case is very different, as will be seen, if all the costs, charges, and expenses together with the losses from frauds, delays, and other impediments to trade be taken into the account. To take this account in full is scarcely possible. For the present purpose it may be sufficient to add up the Salaries of Clerks (in Liverpool alone amounting to many hundreds), and Customs' Brokers, Demurrage of Ships (many of them worth to the owners £20 a day and upwards), detained for Landing Waiters, and all the crowd of paid loiterers:—also loss of markets for cargoes delayed, often to the very serious damage and inconvenience of the merchant and owner:—also dock-room provided at vast expense by mercantile communities,—that dock-room prevented, by Customs' regula-

tions and interference, from doing much more than half the service it might, and otherwise would do : also waste of labor in weighing, unpacking, boring holes with gimlets and in other-ways examining or pretending to examine goods for the satisfaction of the Revenue Officers, without benefit to anybody but themselves, but with certain great trouble, loss of time, and often with great injury to the commodities and to the owners ; and in connection with this, about a third of all the wages paid to porters on board ships, or attending at the discharging of ships, or at bonded warehouses, where seldom more than six or seven hours' work is done in a day and the men are paid for ten and a half hours a day : also the further delay, vexation, and expense of the petty stamp labels, lately required for every package and parcel and for every invoice and bill of lading : also losses from Allowances, Drawbacks, Fraud, and Negligence : also the great additional number of Clerks required for all these vexatious forms.

It is difficult to ascertain accurately all these items of unnecessary expense and annoyance, but it is not difficult to see that, collectively these must amount to a heavy tax and must be serious impediments to trade. It is, probably, no exaggeration to reckon all these Costs and Losses at 10 per cent. on £43,329,081, the amount of Customs and Excise duties paid into the Exchequer for the year ending 31st March, 1870, or £4,332,908.

These charges are in addition to the taxes.

But this is not all.

The dealers' profits on the duties are, at least, 25 per cent. and when it is considered that, two, three, and in many cases four cumulative profits (with all the intervening risks and charges for bad debts, insurances, etc. on the paid duty and cumulative profits in process) are paid by the consumer, and when the percentage of

profit necessary to the existence of the last retailer (whether in price or quality matters not) is taken into account, the candid inquirer will, probably, not think these profits unreasonable.

This 25 per cent. on £43,329,081, the amount of Customs and Excise duties is, £10,832,270.

The Cost of Prosecutions for Smuggling and other breaches of the Revenue Laws, and the Cost of transportation, and maintenance in prison of those convicted, cannot be ascertained with accuracy.

The Government Return for the Year, 1870, gives the number of Criminal Offenders convicted, as follows:—

England and Wales	12,953
Scotland	2,400
Ireland	3,048
Total	<u>18,401</u>

The following Charges connected with the prosecution of criminals, police, and prisons, taken from the Government Returns, seem to be in great part chargeable to Customs and Excise, these being the fruitful sources of poverty and crime, and may, therefore, in some proportion, properly be included in the list of Indirect Loss.

EXPENSES connected with the ADMINISTRATION of the LAWS in ENGLAND and WALES, for the PROSECUTION of CRIMINALS, POLICE, PRISONS, etc., for the Year, 1870-71.

ENGLAND AND WALES.

	£.
Criminal Prosecutions	200,633
Police Courts (London and Sheerness).....	24,899
Metropolitan Police	217,803
County and Borough Police (Great Britain)	305,000
Government Prisons, England, and Transportation and Convict Establishments in the Colonies	475,627
County Prisons and Reformatories, Great Britain.....	303,880
Broadmoor Criminal Lunatic Asylum	38,943
Miscellaneous Charges	20,350
Total	<u>£1,587,135</u>

SCOTLAND.

Criminal Proceedings	£72,533
Prisons	25,075
Total	<u>£97,608</u>

IRELAND.

Criminal Prosecutions.....	£88,903
Dublin Metropolitan Police	99,400
Constabulary	913,007
Government Prisons and Reformatories	48,960
County Prisons.....	43,211
Dundrum Criminal Lunatic Asylum.....	5,610
Four Courts Marshalsea Prison.....	2,530
Miscellaneous Charges.....	8,820
Total.....	<u>£1,210,441</u>

SUMMARY OF COSTS OF CRIMINAL PROSECUTIONS, POLICE, PRISONS, ETC.

England and Wales	£1,587,135
Scotland	97,608
Ireland	1,210,441
Total.....	<u>£2,895,184</u>

Here is a sum total of £2,895,184, taken from the Government Returns of the Costs of Criminal Prosecutions, Police, Prisons, etc., in the United Kingdom, in the year, 1870-71,—in addition to £8,300 the Costs charged for Law Expenses, Subsistence of Prisoners, etc., under the head of Customs and Excise, for breaches of the Revenue Laws.

How much of these Charges and Expenses would be saved to the Country if Customs and Excise were swept away, is a question to be answered only by experience.

For the present purpose, the saving to the Country from these fruitful sources of Expense shall be taken only at one-half of the whole of these Charges and Expenses, in addition to the £8,300 already charged for Costs under the head of Customs and Excise, thus:—

Cost of Criminal Prosecutions, Police, Prisons etc.	£2,895,184
Deduct 50 per cent.	1,447,592
Total.....	<u>£1,447,592</u>

Here we have another Indirect Loss to the Country of £1,447,592.

But Indirect Taxation leads to a heavy augmentation of another burden :

THE RATE FOR THE RELIEF OF THE POOR.

What proportion of this enormous burden is fairly chargeable to Excise and Customs duties and other *indirect* taxes which, by hindering trade and enhancing the prices of the necessaries and conveniences of civilised life, thereby compelling thousands of skilful and willing workmen “to sit enchanted in workhouses,” where there is no work, is impossible to be told.

But if two-thirds of the whole sum raised yearly for relief of the poor be attributed to these causes it would not be an unreasonable estimate. Indeed, the loss to the country by the paralysis of industry is, probably, much more than the whole sum raised for the relief of the Poor. But taking only two-thirds of the whole amount raised as chargeable to the evil influence of *indirect* taxation, the total loss to the country by this charge alone for the last 40 years must have exceeded £200,000,000 !

Until the passing of the Irish Poor Law Act (1 and 2 Vict. c. 56), Ireland was without any system of Poor Law, and legal relief for the Poor in Scotland is, comparatively, of recent date.

The amount returned by the Poor Law Commissioners connected with the relief and maintenance of the Poor in England, Wales, and Ireland in the year

ended 25th March, 1848, and in Scotland in the year ended 14th May, 1848, was £7,941,778.

The Official Returns of the amounts received and expended for the Relief of the Poor in England and Wales, Scotland and Ireland for the year 1870 were as follows :—

England and Wales	£7,644,307
Scotland	905,046
Ireland	814,445
Total.....	<u>£9,363,798</u>

Two-thirds of this amount, or £6,242,532, is a small proportion due to the operation of the Revenue Laws, which prohibit commercial enterprise, hinder manufactures, repress industry, and force productive lands to be non-productive. This sum of £6,242,532 (14·407 per cent. on £43,329,081, Customs and Excise duties) may, therefore, be added to the previously accumulated items of Loss to the Country.

So much for the Poor Laws, intended for the relief of the Poor, but spreading pauperism over the country, and demoralising the People. But injurious as are the Poor Laws, the effects of the Revenue Laws on the Manufactures and Commerce of the Country, are so great and so extensive as to be hardly calculable.

It is not possible for the human mind to follow out the consequences through all the ramifications of this evil system, and a full exposure of these evils is restrained only by the fear of worse consequences from the exposure. It will be impossible to maintain this system when the People are better educated. To take only the single instance of our trade with China, which is conducted on the system of exchange. We take their Tea and Silk in exchange for our manufactures, and the effect of our heavy duties, in comparison with the light duties of the Chinese, operate most injuriously on our trade with China.

In 1847 a Select Committee of the House of Commons was appointed to inquire into the state of our Trade with China. The Committee sat sixteen days, and examined 46 witnesses, comprising 17 merchants engaged extensively in the trade with China.

The substance of the laborious report of that Committee having been given in the former Editions of this book will not be here repeated. It is sufficient to refer to that Report and to the conclusion that, the exorbitance of our Duty on Tea is so limiting our Exports as to endanger our trade with China, and thereby seriously interfering with the employment of labour. As affecting the social condition of the People and our relation with China, the Report says:—"That it is also desirable in itself, as presenting the increased consumption of a beverage wholesome and agreeable to every class of our population, and one which is increasingly desired as a substitute for intoxicating liquors; and that it would be no more than is due to the Chinese who tax our products so lightly, while we burden theirs so heavily, and with such inconvenience to their trade."

Respecting the effect of such reduction on the revenue, the Committee remark:—"In fact, the whole difficulty exists in the effect which any material reduction,—and no other would be of much value,—may be expected to have upon the *resources of the Exchequer*."

The Evidence of all the Witnesses examined on the question, as to the effect on our trade, was most forcible to this conclusion.

Medical and Chemical Witnesses were examined and all proved the sanitary effects of tea, and the great extent to which adulteration was carried, in consequence of the enormous duty levied on tea, and that many of these adulterations were of a poisonous nature, and all highly injurious. All the Evidence proved that, the present trade with China furnished no criterion for

estimating what might be our trade with China if, on our part only, that trade were free.

That the Evidence of these 46 Witnesses, and the Report of this Committee comprising 17 merchants largely engaged in the China Trade, should have been allowed to drop without notice is a disgrace to the Government, nor can the Representatives of the People be acquitted of blame for neglect of duty.

Who can pretend to say what might be our trade with China if the duty on Tea were abolished, and our merchants were free to import Tea into this country at the prime cost in China, with the addition only of the cost of freight, which, in the rate per pound, would be an inappreciable and imperceptible sum?

Who can pretend to say to what extent China might receive British manufactures in exchange for Tea and Silk, if all impediments to the mutual interchange of natural productions were removed?

Who, therefore, can pretend to calculate, with anything like accuracy, the loss to this country *directly* and *indirectly* from the Tax on Tea alone?

These remarks, which apply more or less to all the articles subject to Customs and Excise duties, are left to be applied by every one for himself.

On such a question as this, it is to be expected that, different minds will take different views and arrive at different conclusions from the same facts. But it is also to be expected that, there are many, whose daily avocations ought to assist them in forming a correct judgment, who will come to the conclusion that, these estimates of Costs and Losses are very much under the mark, and that, the time has arrived when the system, which works out such results, ought to be changed.

How to estimate the *indirect* loss to our trade and manufactures, through the inevitable operation of Customs and Excise, is a question not easily answered.

It is not only the estimate of an actual loss, but also of the loss of a certain gain. For the estimate of a loss actually incurred, there must be some certain data; but for the estimate of the loss of a gain never made, there can be no certain data, nor, indeed, any data at all. And yet, that the loss of the gain is certain and very great there can be no doubt.

The computed Real Value of the Imports into the United Kingdom for the year, ended 31st December, 1870, is.....	£303,296,082
The computed Real Value of the Exports from the United Kingdom for the same year is.....	199,640,983
Exports Foreign and Colonial.....	44,493,755
Total Imports and Exports	<u>£547,430,820</u>

Can any one acquainted with Trade and Manufactures doubt that, our Imports and Exports will show 100 per cent. increase in the third year after the abolition of Customs, Excise, and Stamps?

Can any one experienced in the trade and commerce of this country doubt that, the increase will be 200 per cent. within the first five years after these duties and all other hindrances to trade have been removed?

Is not this expectation justified by the results from only the reduction of these duties within the last twenty-five years?

In this view, is it an unreasonable estimate to compute the *indirect* loss to the Nation from these causes at 150 per cent. on £67,249,229, the nett amount of last year's revenue (1870) from Customs and Excise, Stamps and Taxes,—or £100,873,843?

If such be the loss to trade and manufactures, what must be the loss to the Land and Houses of the Kingdom?

It is impossible to make this estimate with any pretension to accuracy, but it is manifest that, a loss of

such magnitude to the Trade of the Country must very greatly deteriorate the value of all Land and House property in the Kingdom. If it be regarded only as the loss of a gain, the effect is the same if it prevent an increase in the value of Land and Houses—in the same proportion.

It can hardly be necessary to waste many words in showing that, the value of Land and Houses is, in a great measure, dependent on the prosperity of Trade. Experience has sufficiently proved this theory to establish it beyond all doubt, and we know from experience that, depression of Trade and Manufactures has always been attended with corresponding depression in the value of Land and Houses.

We have no experience to guide us in an estimate of the probable increase in the value of Land and Houses after the abolition of Customs and Excise, Stamps and Taxes,—but if the increase in trade and manufactures be equal to 150 per cent. in the third year, it can hardly be an exaggerated estimate to assume the increase in the value of Land and Houses in the fifth year to be equal to 75 per cent. or £50,436,921.

It is admitted that, the expected effects on Land and Houses, coming through the effects on Trade and Manufactures, cannot be fully realised until several years after the first effects have come into operation, but there can be no reason to doubt that, the full effects on Land and Houses will ultimately be equal to those on Trade and Manufactures. How many years will be required for the full effects on either or both is, of course, beyond calculation, being in a great measure dependent on circumstances beyond human foresight.

The Estimate is, therefore, made at 75 per cent. for Land and Houses, within the first five years after the change. In a few years afterwards (if no disturbing causes arise in the meantime), it may be reasonably

expected that, the Estimate at 100 per cent. will be nearer the actual fact.

The following may be taken as the principal heads of Indirect Loss to the Nation through the present system of Indirect Taxation by Customs and Excise Stamps and Taxes.

SUMMARY OF INDIRECT LOSS.

Demurrages, Allowances, Drawbacks, Frauds, and Negligences.

Estimated at 10 per cent. on the Customs and Excise Duties for the year ended 31st March, 1870.....	£4,332,908
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Extra Profits to Traders for Advance of Customs and Excise Duties.

Estimated at 25 per cent. on these duties ...	10,832,270
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Additional Costs of Prosecutions for Smuggling and other breaches of the Revenue Laws, and expenses of transporting and maintaining persons convicted.

Estimated for the same year.....	1,447,592
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Augmentation of Poor Rates.

Estimated at two-thirds of the amount raised by Poor Rates in the United Kingdom for the year 1870	7,097, 848
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Loss and Injury to the Trade and Manufactures of the Kingdom.

Estimated at 150 per cent. on the Customs and Excise, Stamps and Taxes, for the year ended 31st March, 1870	100,873,843
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Loss and Injury to the Land and Houses of the Kingdom.

Estimated at 75 per cent. on Customs and Excise Stamps and Taxes for the same year	50,436,921
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Total Indirect Loss	<u>£175,021,382</u>
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SUMMARY OF ACTUAL COST AND INDIRECT LOSS.

Actual Cost of Collection of Customs and Excise, Stamps and Taxes, as charged in the Government Accounts for the Financial Year, ended 31st March, 1870	£2,609,588
Indirect Loss through Customs, Excise, Stamps, and Taxes, for the same year. Estimated at	175,021,382
Total Cost and Loss	<u>£177,630,970</u>

SUMMARY OF CHARGES.

Nett Amount of Customs, Excise, Stamps, and Taxes paid into the Exchequer according to the Government Account for the Financial Year, ended 31st March, 1870.....	67,249,229
Actual Cost and Indirect Loss in raising the above Revenue	177,630,970
Total Charge	<u>£244,880,199</u>

GENERAL SUMMARY.

Actual Cost	£2,609,588 = 3·88	} per cent. on £67,249,229
Indirect Loss	175,021,382 = 260·25	
Total Cost and Loss	<u>177,630,970 = 264·13</u>	
Nett Amount of Customs, Excise, Stamps, and Taxes, for the year ended 31st March, 1870)	67,249,229	
Total Charge	<u>£244,880,199</u>	

Thus, it appears that, the Cost and Loss to the Nation of raising the Nett Revenue of £67,249,229 for the Financial Year ended 31st March, 1870, under the present system of Customs and Excise, Stamps and Taxes, was £177,630,970, making the total charge to

the Nation for the year (including the year's revenue) £244,880,199, or 364·136 per cent. on the whole amount raised for the year by these taxes, or, in other words, only $\frac{7}{25}$ ths of the whole amount raised are paid into the Exchequer, $\frac{18}{25}$ ths being lost !

According to the Census Returns for the United Kingdom, in 1871, the total Population was,—31,465,480.

Assuming the number to be 32,000,000, and assuming the tax-payers to be 7,000,000, this is equal to a tax of £34 : 19 : 7 $\frac{3}{4}$ a head.

Of this sum, £9 : 12 : 1 $\frac{1}{2}$, and no more, finds its way into the Exchequer.

This is as 1s. to 3s. 7 $\frac{1}{4}$ d.

Therefore, for every shilling paid into the Exchequer for Taxes, three shillings and seven pence farthing are taken out of the pockets of the tax-payers, and this difference is not only their loss without any benefit to the nation, but is also to the great injury of the trade, manufactures, and Agriculture of the country, and, consequently, of the whole property of the kingdom, and not only of this kingdom, but of the People of all Nations of the world ! And be it remembered,—this calculation is made on the Nett Revenue.

On the ethical part of the question, or the loss and injury to the Nation from the demoralising tendency and inevitable effects of our Revenue Laws, every one must form his own estimate, for we can never fully estimate our loss under this head until we can compare the results of a happier state of things with our experience of the past.

It is often used as an argument against direct taxation that, taxes so levied press with unequal, and, therefore, unjust severity on Real Property, and that, the Real Property of the Country is already suffering under this unequal and unjust pressure.

That the ground on which this argument rests is

inconsistent with the facts, and that, the facts are all the other way, will be shown in the following Statement of Taxes, in a Tabular form for the Financial year, ended 31st March, 1870.

COMPARATIVE STATEMENT, showing the Charges on Trade and Industry, and on Real Estate, under the present System of Taxation.

Taxes.	Nett Revenue.	Taxes on Trade and Industry.	Taxes on Real Estate.
	£.	£.	£.
1. Customs	21,449,843	21,449,843	
2. Excise	21,879,238	21,879,238	
3. Stamps, viz.:—	9,288,553		
Deeds and other Instruments		566,274	1,132,539
Legacies and Successions		1,485,384	1,485,384
Insurance, Marine		86,936	
Other Stamps		4,532,036	
4. Land Tax	1,627,883		1,627,883
5. Assessed Taxes, viz.:—			
Inhabited Houses	1,674,521		1,674,521
Other Duties	1,220,602	1,220,602	
6. Income Tax	10,108,589	5,054,294	5,054,295
Taxes £	67,249,229	56,274,607	10,974,622
COSTS AND LOSSES.			
Costs of Collection of Customs and Excise, including Coast Guard Service, Superannuation and Compensation Allowances and Pensions of Customs and Excise, as charged	2,609,588		
Demurrages, Allowances, Frauds, and Negligences	4,332,908		
Extra Profits to Traders for Advance of Customs and Excise Duties	10,832,270		
Additional Costs of Prosecutions for Smuggling and other breaches of the Revenue Laws, and Expenses of transporting and maintaining persons convicted . . .	1,447,592		

COMPARATIVE STATEMENT—*continued.*

Taxes.	Nett Revenue.	Taxes on Trade and Industry.	Taxes on Real Estate.
	£.	£.	£.
Augmentation of Poor Rates	7,097,848		
Loss and Injury to Trade and Manufactures . .	100,873,843		
Loss and Injury to Land and Houses on Customs and Excise, Stamps and Taxes	50,436,921		
Cost and Loss	177,630,970	56,274,607	10,974,622
Charge on Trade and Industry	56,274,607		
Charge on Real Estate . .	10,974,622		
Total Charge £	244,880,199		
Deduct Charge on Real Estate £		10,974,622	
Excess on Trade and Industry £		45,299,585	

SUMMARY.

Taxes on Trade and Industry	£56,274,607 =	83·68 per cent.
Taxes on Real Estate	10,974,622 =	16·319 „
Excess of Taxes on Trade and Industry	£45,299,585 =	61·411 „
Cost and Loss	£177,630,970 =	264·153 „
Charge on Trade and Industry	56,274,607 =	83·68 „
Charge on Real Estate	10,974,622 =	16·319 „
Total Charge on Trade and Industry, and on Real Estate	£244,880,199 =	364·136 „

Thus it appears that, of the actual nett Taxes, £56,274,607, or 83·68 per cent., bear directly on trade and Industry; and that, £10,974,622, or 16·319 per cent., bear directly on the Real Estate; showing an excess of burden on Trade and Industry, of £45,299,585, or 61·411 per cent. over Real Estate, and that these taxes, including the Actual Cost, and the Estimated Indirect Loss, incident to the Collection, are equal to a total Charge on Trade and Industry and Real Estate,

for the Year, of £244,880,199, or 364·136 per cent., though of these Indirect Losses it will be seen that, nearly the whole presses as a burden on Trade and Industry, and only a comparatively small portion,—and that reflected,—on Real Estate.

In this Estimate two-thirds of the whole amount of Stamps for Deeds and other Instruments, are assumed to be Charges on Real Estate, and one-third only on Trade and Industry; and the whole amount of Stamps for Probates, Letters of Administrations and Successions are charged in moieties on the same Accounts.

The returns of Income Tax are not sufficiently divided under heads of assessment to distinguish the charges on Trade and Industry and Real Estate. The whole amount of the Income Tax is, therefore, charged in moieties under these two heads.

The astounding results brought out by this mode of investigation will, probably, make many doubt the accuracy of these calculations, but on reflection they will see that, these calculations are made on the figures in the Government Accounts, and that, these figures, on the average of the last thirty years, fully support the Estimates of the Trade and Industry of this Country when the Wages of Labor and the Profits of Trade are no longer taxed.

INCOME TAX.

The Gross produce of the Income Tax for the year ended 31st March, 1870, was £10,243,342 and Nett, £10,108,589.

The objections to this tax are manifold and manifest.

1. Its unequal bearing on Incomes.
2. Its unequal collection.
3. Its unequivocal tendency to evasion by lying and perjury.

These are three grave objections, too well known to require much comment.

Most incomes are precarious, and many are of longer or shorter duration, but all incomes are charged at the same rate, except that, under Schedule B. in respect of occupation of Lands in England and Wales the tax is $2\frac{1}{2}d.$ in the £. and in Scotland and Ireland $1\frac{3}{4}d.$ in the £.

This tax, therefore, is unequal in its operation, and this is an irremediable defect.

That this tax is unequally paid everybody knows, and everybody who can evade it does.

Nobody pays the full amount of this tax that can help it. Householders, Fundholders, and a few others pay in full, because they cannot help it.

As to lying and perjury, most persons who cheat, will support their fraud by lying and perjury. But without carrying the inquiry to that unpleasant length, it is well known that, a vast number of persons who pay income tax, really do not know what their income is; and many who deduct the tax forget to allow for it. Lord Alvanley used to say (perhaps jocosely), in the days of Ten per cent. Property Tax, that, the Property Tax was his only source of income.

But, what an absurdity, to ask the taxpayer how much he is to be taxed!

And what a scandalous law that is, which compels the taxpayer, if so required, to produce his Bankers' Book and all his Account Books, to prove, to the satisfaction of the person appointed by the Government to make this indecorous inquiry, the actual amount of income, — as if the actual amount could be so discovered! Then look at those little paragraphs in the newspapers, almost daily, announcing the pounds, shillings, and pence remittances by conscience-smitten wretches to the demon of the Exchequer! What a system! What Statesmen!

The call, so generally made, for the equitable adjustment of this tax can never be answered, for the simple reason that, an equitable adjustment is impossible. As long as fluctuating and uncertain incomes are taxed, inequality and injustice must be inseparable. Incomes, derived from skill and industry, or from professions and trades, must be fluctuating and uncertain, and more or less precarious, and to tax these at the same rate as fixed and permanent incomes must be injustice. Any attempt to proportion the tax to the value of such incomes, if it can diminish the amount of injustice, can never remove it. The principle is radically wrong. Income can be fairly taxed only as the annual produce of *realised* property or capital. Income furnishes only the means for making a fair valuation, equal in effect, and fair and just for all. This is, truly, a tax on property, not on income, resting on a clearly defined principle, and fixed on a firm basis. But a tax on income is indefinite, and never can have a fixed basis. The one is always the same or calculable in value; the other is variable and never calculable in value. No certain data can ever be obtained, so long as the possession of life and strength and faculties, and the other numberless chances on which income from other than realised property or capital depends, remains uncertain.

Why should a tax be imposed on incomes arising out of and dependent solely on life and strength and faculties?

Why should professional incomes, profits of trade, and wages of labor be taxed, until invested in taxable property?

Why should those be taxed whose only property is the produce of their own industry and skill?

If it be said that, they ought to pay for the benefits and protection which the State extends equally to all, that may be a good reason why all should contribute to the State for such benefits and protection, but can be no reason

for taxing them in property which they do not possess. A tax for the protection of the person is one thing, but a tax for the protection of property is another and different thing. Both may be very proper subjects for taxation, but a tax for the protection of property where there is no property is as absurd as would be a tax for the protection of life which has ceased to exist.

But it is as bad in policy as it is wrong in principle to tax the income of the productive laborers. The tendency of such a tax is to prevent, *pro tanto*, the increase of wealth and capital, or realised property ; for capital is nothing more than accumulated savings, all being originally the produce of labour. In the form of capital, or realised property, it becomes the wealth of the nation, and then may properly contribute a fair share to the necessities of the State. But to make income contribute before it has assumed the form of capital, or realised property, is to destroy the source of the wealth of the nation, and is as absurd as would be the conduct of the person who keeps bees for the sake of their honey, if he were to cut down and destroy all the flowers in his garden and neighbourhood before the honey was made. Equally absurd it is to say that, the honey-makers would go free. They are the industrious, wealth-producing laborers, and when the labor is completed and the honey made it will be taken as required for use ; and, if wisely, so much only will be taken as is absolutely and fairly required, and enough will be left to enable the workers to continue to produce, nor of the abundance will any be taken for feeding the wasps and the drones.

Thus the productive industry of the country produces income, which, accumulating, forms capital, the only real wealth of nations, and whilst that process of formation is going on, like the honeycomb in the bee-hive, all are equally interested in preserving the means from

diminution, because all derive the benefit when the process is completed.

If this be the true view, it follows that, direct taxation is the only true system; but as this will be more fully shown when "Taxation As It Ought To Be" comes to be considered, it is not necessary here to pursue this inquiry further, and it is useless to waste more words on this tax, which picks the pockets of the People of more than £10,000,000 a year, favoring Scotland and Ireland at the expense of England and Wales.

THE ABSURDITIES OF CUSTOMS AND EXCISE, STAMPS, AND ASSESSED TAXES.

Injustice is the proper term to apply to all duties of Customs and Excise, Stamps, (except Postage Stamps) and Assessed Taxes.

This has been already sufficiently shown with regard to Customs' duties, and whatever is unjust must be injudicious. But to cover the whole system with ridicule and contempt, and with the avowed purpose of reflecting the same on the Government which supports such a system, a few striking examples will be selected under the above heads.

TOBACCO.

The first and foremost in this List of Absurdities, because, perhaps, of all Customs' duties the most absurd and cruel, shall be the duty on Tobacco, this being about 500 per cent. on the cost of growing and preparing that common and easily cultivated weed for man's use.

The total Gross sum produced by this tax in the year ended 31st March, 1870, was £6,669,018.

It was given in evidence before the Select Committee of the House of Commons on the Tobacco Trade, in 1844, that,—“nine-tenths of the tobacco is consumed by the working classes.”

Assuming that to be the present proportion, the working classes paid out of their Wages of Labor for Tobacco, in the year, 1869–70,—£6,002,019, being about 500 times more than they would have paid if Tobacco had not been taxed. This, in one point of view, is simply ridiculous,—in another point of view,—contemptible and disgraceful. A sanitary or moral motive not being pretended, does not arise for consideration. A tax on tobacco is admitted to be a tax on the working classes, and of this tax they pay nine-tenths.

There is no tax like this on the non-working classes.

Tobacco is said to be a luxury, and so it is, to the working classes, but no luxury to the rich is taxed 500 per cent. or anything like it. This tax, therefore, presses most heavily on the working classes, and, being unequal, is unjust. The beneficial or injurious effects of the use of this article is a matter of opinion; but so long as an entire class of our population uses it to the extent of nine-tenths of the whole consumption, yielding a yearly revenue of upwards of £6,000,000,—independently of the quantity consumed by them which is never charged with duty,—it is reasonable to conclude that, to *them* tobacco is an article of indispensable necessity, or a greatly coveted luxury, in either of which cases the duty,—some years ago upwards of 900 per cent. on the average,—is beyond all defence, being unequal and unjust, cruel and disgraceful.

But when this enormous duty is proved to be the cause of enormous smuggling, with all its sad consequences, as any one may be convinced by consulting the evidence given before the above-mentioned Parlia-

mentary Committee, this tax is not only placed beyond all defence, but becomes in itself absolutely criminal, as conducive to crime, and affords a melancholy illustration of the evil effects of our present system of taxation on the social condition of the people.

The whole evidence given before the Committee proves that, the prevention of smuggling under the existing high duty is an impossibility; and referring to the opinion of the Commissioners of Excise Inquiry, in 1833-4, they add:—"The nature of this temptation is at once apparent from the fact that, £100 expended at Flushing in buying tobacco, may be followed by the receipt of £1000, if the tobacco can be landed safely in this country, at Hull or elsewhere."

Mr. Ayre, Clerk to the Magistrates of Hull, was examined by the Committee of 1848, and stated, "with confidence from his own observation that, fifteen cases of smuggling escape where one case is detected." He supports his opinion by eight years' experience. He added:—"There were 85 detections in 1843: and, I believe, for every one of those 85 cases, 15 escaped." He also stated that, there are a class of merchant smugglers who smuggle more than the seamen and officers of ships, although they all smuggle." He further adds:—"I find that, all the ports opposite our coast—that is, from Flushing up to Hamburgh, and in the Baltic also, *they pack tobacco for the sole purpose of smuggling.* That is the case in every one of those ports; they are all alike. They are compressed into small packages, whereby they can be most easily secreted. Tobacco is also smuggled, packed in goods imported, to a considerable extent, and there are vessels employed expressly to smuggle tobacco."

In four years, to 1798, when the duty was only 8*d.* per lb. the quantity of tobacco entered for home consumption in Ireland was 32,000,000 lbs., making an

annual average of 8,000,000 lbs.; but in four years to 1829, the quantity imported, for home consumption, in Ireland was only about 16,000,000 lbs.; making an annual average of 4,000,000 lbs. that is, half what it was thirty years previously, when the population was only half as numerous. If the individual consumption of tobacco that paid duty had increased only according to the increase of the population of Ireland, the annual consumption in 1829 should have been 16,000,000 lbs. instead of 4,000,000 lbs. This may be taken as a pretty accurate statement of the effect of the high duty at the present time; and as, no doubt, the individual consumption of tobacco has increased in this ratio, the conclusion is that, full three-fourths of the whole consumption are supplied by smuggling, and that more than one-fourth is supplied by adulterations.

It appears by the evidence given before the Committee on Irish Tobacco, in the Session 1831, that, there would be a considerable exportation of manufactured tobacco to foreign countries, but for the restrictions by the high duty. The drawback allowed is accompanied with so many vexatious conditions that, it is not a sufficient compensation to the manufacturer for the original duty paid, and he is, in consequence, obliged to require so high a price as to be unable to meet foreign competition. By 3 & 4 Will. iv. c. 52, a scale is adopted for supplying the navy with tobacco and wine free of duty, according to rank in the ship.

It seems that numerous Committees and Commissioners of Inquiry have, from time to time, over many years, recommended a reduction of duties to prevent smuggling, and no Chancellor of the Exchequer, nor other Statesman, has controverted the Committees and Commissioners on principle, but all have demanded to know whence they were to draw a sufficient revenue, if such reductions as would stop smuggling were effected.

The only true answer is,—the abolition of all Customs and Excise, and the substitution of direct taxation.

The following statement of prices of tobacco, and a statement of the rates of duty charged, and the percentage of these duties to the prime cost of the article, sufficiently explains the temptation to smuggle.

PRICES OF VIRGINIA AND KENTUCKY TOBACCO, 1ST JUNE, 1844—LONDON: THE DUTY CHARGED, AND THE RATE PER CENT. ON PRIME COST.

Kinds of Tobacco.	Average Price in Bond.	Duty 3s. 1d. $\frac{1}{2}$ ⁶ / ₁₀ ths, equal to
Virginia Leaf	3 $\frac{1}{2}$ d. per lb.	1,100 per cent.
Do. Strips	5 $\frac{1}{2}$ d. „	700 „
Kentucky Leaf	3 $\frac{1}{4}$ d. „	1,200 „
Do. Strips	4 $\frac{3}{4}$ d. „	800 „

These calculations are made on the average prices in bond in June, 1844, but the average prices in bond have since increased, about two-thirds more, and the per centage of duties is consequently diminished in proportion.

There is a variety of other tobacco, varying in price from 1s. to 5s. per lb. in bond, principally used for cigars; therefore, taking the average price at 3s. per lb., the duty of 3s. 1d. $\frac{1}{2}$ ⁶/₁₀ths on tobacco used for cigars is only about 100 per cent. on the prime cost.

The duty on all the foreign manufactured tobacco, whether Cigars, Cavendish, or Negro-head, was 9s. and the addition of 5s. per lb.

	Average Price in Bond.	Duty 9s. and 5 per cent. Equal to
Havannah Cigars	8s. per lb.	112 per cent.
Manilla Cheroots	6s. „	150 „
East India Cheroots	1s. „	900 „
Negro-head and Cavendish ...	6d. „	1,800 „

Tobacco Stalks, produced from duty-paid leaf, were sold generally by the tobacco-cutters to the snuff-makers at 3s. to 3s. 2d. per pound. The importation of tobacco

stalks is prohibited : but as they can be purchased in Holland at a penny per pound the temptation to smuggle them into this country is the gain of 3,800 per cent. profit.

The present duties are as follows :—

	<i>s.</i>	<i>d.</i>
Tobacco, Unmanufactured—with 10 per cent. moisture,		
per 100 lbs. or more.....	3	1 ⁶ / ₁₀
Less than ditto.....	3	6
— Manufactured—		
Cigars	5	0
Cavendish, or Negro-head—		
Home (in bond)	4	0
Foreign Manufacture	4	6
Snuff, more than 13 lbs. moisture per 100 lbs.....per lb.	3	9
With Less.....	4	6
Other Manufactured Tobacco	4	0

It is, therefore, apparent that a correct estimate of the public loss by the tobacco duty is unattainable; but, allowing only 50 per cent. for the cost of collection, and all indirect costs, charges, and losses,—the result is that, the public paid, in the year ending 31st March, 1870, directly and indirectly, for the tax on tobacco, £10,003,378, or £3,334,459 more than the produce of the tax paid into the Exchequer.

The quantity of Tobacco imported in the year, 1870, for Home Consumption, was 41,909,414 lbs. This is a little more than 1 $\frac{1}{3}$ lb. per head per annum on the population of the United Kingdom. It thus appears that,—not less than £10,000,000 annually is paid in retail for tobacco in the United Kingdom, and that, of this immense sum, for such an article, three-fourths are paid in the form of duty.

The quantity of Unmanufactured Tobacco imported from the United States into the United Kingdom in 1870 was 29,846,078 lbs. This was just five-sevenths of the whole quantity imported for Home Consumption.

In the year, 1869, the quantity imported from the United States into the United Kingdom was 37,046,032 lbs.;—a ratio of dependence.

As an illustration of the small quantity of coffee consumed in Ireland a few years ago it was stated that, the Irish got rid of four times as much tobacco as coffee.

We, nevertheless, occupy a very humble position as smokers. Mr. Crawford, in an Essay in the Statistical Society's Journal, states that, the United Kingdom consumes less than most other European nations per head; that Europe takes less than the other quarters of the globe; that France consumes 18 ounces; Denmark 70 ounces; and Belgium 73 ounces per head annually; that this last is far above the European average, but far below the Asiatic average, and may, possibly, be a fair average for the whole world. In short, that, 1,000 millions of people may take 70 oz. each per annum, making a total annual consumption of tobacco amounting to two millions of tons! He further supposes that, the average price all over the world may not exceed 2*d.* per lb., which would give a total retail expenditure for tobacco of thirty-six millions sterling per annum, mostly driven off in smoke. The average wholesale price of tobacco in England is about 4½*d.* per lb.

Of the extent to which adulteration is carried, in consequence of the enormous duty imposed on tobacco in the United Kingdom, it is impossible to form any estimate; but it is supposed that, the quantities of adulterated and smuggled tobacco together exceed annually the whole amount on which duty is paid.

As the payment of this enormous duty is strictly enforced on all tobacco brought into the Custom House, whether damaged or not, and as almost every hogshead becomes more or less injured by the voyage to England, and as the importer takes care not to pay the duty on any but saleable portions, and as

the absolute destruction of that which escapes the duty is the imperative condition on which the importer is so far absolved from his liability, the consequence is, an enormous destruction of *damaged* tobacco in the "*kiln*," or, as it is familiarly called, "the Queen's tobacco pipe," erected for the purpose near the vast tobacco warehouses at the London Docks. Such is the operation of our Customs duties on tobacco.

It is difficult to imagine a tax more absurd for its inequality, injustice, and impolicy, than this tax on the working man's chief luxury, the free gift of nature, given equally to all, but taxed 500 per cent. and upwards, and nine-tenths of the tax paid out of the wages of Labor!

Is it to be wondered at that men should take every opportunity of evading a law which cheats them of a natural right, or that men should yield to the temptation,—even at the risk,—of turning £100 into £1,000?

It is not generally considered immoral or dishonorable to run the risk of contraband of war. Why, then, is it immoral or dishonorable to smuggle tobacco? Is it worse to break the letter of the law than to evade its spirit? How would the head of the present Government answer that question? We know how the Lord Chief Justice of England would answer it.

If it be right to evade a foolish law, can it be wrong to break a cruel and unjust law, and take the chance of the consequence?

The time may come when all will look back on the poor despised smugglers as the brave and hardy men to whom we are mainly indebted for our relief from all these foolish and cruel laws, which are not less foolish, but much more cruel, than those old laws which regulated, under heavy penalties, the cut and fashion of men's clothes.

It would take up too much space to set out in detail

all the absurdities of these Customs and Excise laws, but a few of the most prominent examples shall be selected, and the next in turn shall be

MALT.

The number of bushels of Barley Malt, charged with the duty of 2s. 7d. per bushel, and 5 per cent. additional, in 1870, was 50,697,459, and the number of bushels of Bere or Bigg, charged with the duty of 2s. per bushel, and 5 per cent. additional, was 44,872, and the amount of duty for the whole, paid into the Exchequer was £6,483,612.

This tax presses with peculiar hardship on the working laborers and on the poor, and is attended with the incalculable mischief of encouraging them to resort to the use of ardent spirits, by greatly increasing the price of Beer, and thereby depriving many of that more wholesome beverage, which, to the working laborer, may be, and ought to be, regarded as a necessary of life.

The Commissioners of Excise Inquiry, in their Report, say, in reference to this tax:—"The repeal of it would produce scarcely any other effect than that of raising the price of barley, and affording to farmers the means of paying higher rent for barley land."

If the farmer, out of his increased price of barley, could afford to pay a higher price for land, that is a legitimate benefit which the landlord has a right to expect; but, as the barley would not be raised in price beyond what the public could afford and were willing to give, and who, it cannot be supposed would give up to the farmer the whole benefit of the repeal, any more than they would expect to keep all the benefit to themselves, its repeal would benefit all parties,—the consumers of beer, the producers of Malt, and the owners of land.

That this tax is ultimately paid by the consumers is

a fact which cannot be controverted, though it has been frequently denied. The consumers, therefore, would have the full benefit of the repeal of this tax. The greatest objection, however, is the manner in which it interferes with and restricts an important branch of home manufacture, not only preventing any improvement in the making of Malt, but actually creating impediments, at times and seasons of the year, to making it at all. Moreover, it throws this branch of manufacture most injuriously into the hands of comparatively a very few persons; and lessens, to an incalculable extent, the employment of the people in agricultural districts, especially in Ireland, producing deprivation and misery to an extent also incalculable. If malt were duty free, every laborer and mechanic would be at liberty to malt his own barley and brew his own beer unadulterated, and then we should hear no more of "the Brewers Monopoly."

One of the noticeable effects of these fiscal regulations is, the falling off in the consumption of Malt. Between the years 1730 and 1831, the falling off was one half. The population of England and Wales in 1730 was, 5,687,993, and the consumption of Malt was, 28,410,421 bushels; in 1831, with a population of 13,894,574, the consumption of Malt did not exceed 32,963,470 bushels; showing a consumption of about 5 bushels a head in 1730, and only $2\frac{1}{2}$ bushels a century later; the duty in 1730 being only one-fifth of the duty in 1831.

The process of malting is in itself perfectly simple, and not more mysterious than the making of tea in a tea-pot. It consists in wetting the grain (barley is chiefly used) till it begins to sprout, and then checking the vegetating process suddenly by heat. This produces a saccharine substance in the grain, which is the essence of malt. Pale malt is made by a low heat, and brown

malt by a strong heat. The pale *should* be used for Ale, and the brown *should* be used for Porter. But the use is not now as it should be. The high duties directed the brewers to the study of their malt; how to make the most of the least possible quantity.

The brown malt, more wholesome as a tonic, and agreeable to the taste, had become the general favourite of the public, when the brewers found that a greater quantity of wort, of a certain strength, could be produced from pale, than from brown, malt. Brown was, therefore, disused in the brewing of porter, or strong beer. The wort was now pale, and the agreeable bitter taste and flavor had to be supplied from the laboratory or druggist's store-house, instead of the malt-kiln. Quassia, coccus indicus, opium, etc., were then used.

Since the repeal of the beer duties, the restrictions on brewers are simplified. They now consist of a licence to brew,—entering the premises at the Excise Office, and being forbidden the use of any article other than malt, hops, and water.

A brewer, using any place, or mash-tun, for the purpose of brewing, without having made an entry thereof at the nearest Excise Office, forfeits, for every such offence, £200; and all the worts, beer, and materials for making the same, together with the mash-tun, are forfeited and may be seized by any officer.

Every druggist, vendor, dealer, chemist, or other person, selling molasses, opium, vitriol, etc., or any coloring matter, to any licensed brewer, or licensed retailer of beer, is liable to have his stock of goods seized and forfeited, and to be fined £500.

This clause of the law is powerless by its absurdity. Its attempted protection of the malt tax is a licence to evade it, and for the brewer and retailer to adulterate beer without hindrance. Who is to hinder the chemist or druggist, or dry-salter, or “other person,”—the

grocer, for instance, — from selling “molasses,” or “other coloring matter,” to anyone that asks to have that article? The Excise officers see this law broken every day; but though an offender may occasionally be convicted, they can, in general, only turn their backs on the poisoned beer, and the poison dealers, and walk away. If anything can fulfil the object of this enactment, it must be by freedom to use malt at its natural price, free of duty.

The brewer is also prohibited from having in his brewery, or on any part of his premises, or in any mill connected with such brewery, any raw or unmalted corn or grain (horse provender included!); and all unmalted corn or grain, which shall be found in such brewing premises or mill, and all malted corn or grain with which such unmalted corn or grain may have been mixed shall be forfeited, and may be seized by any officer, together with all vessels or packages in which such raw or unmalted corn or grain, with which the same may have been mixed, shall be contained; and every brewer shall, for every such offence, forfeit £200.

The merchants or dealers and their clerks or agents, engaged in the export of beer, are required to make oath (before the “proper Excise officers”) that, to the best of their belief, such ale or beer has been made *wholly* from malt, which has been charged with and paid the duty of 2*s.* 7*d.* a bushel (though it be notorious that such liquors have not been made *wholly* from malt). They must also testify, in such oath, that the quantity of malt used was not less than two bushels, imperial measure, for every barrel (thirty-six gallons) of such beer or ale.

The oaths must also include a statement of the place where, and the person or persons by whom the liquor was brewed; whether the brewer was licensed and had his premises entered by the Excise; also that none of the ale or beer is entered for the use of the ship’s crew

or passengers. This unholy swearing completed, the debenture entitling the exporter to a drawback of 5s. per barrel, or 7s. 6d., according to its strength, may be given.

The intention of this enactment is to make a repayment, out of the public treasury, to the persons interested in the produce and the rent of barley-growing land. It is a question whether this encourages the growth of barley at all, but it is beyond question that, it encourages the practice of doubtful swearing, and this alone is disgraceful to the Government.

The enactments regulating this simplest of manufactures,—the making of malt,—are about *forty* in number, and are exceedingly complex. These are embodied in the general Act of 7 & 8 Geo. IV., but this is also exceedingly complex. It contains *eighty-three* clauses, with a hundred and six penalties, amounting in the whole to £13,000 !

To read through these Acts of Parliament is a dreadful duty.

How much of these penalties has been received would be a curious fact, if it could be discovered. But the money received for these penalties is known to be very trifling, and this is a sufficient commentary on the absurdity of such penalties, it being well known that, they are incurred daily to an immense amount, the oaths notwithstanding.

Almost every thing offensive to common sense in the *forty* Acts was retained in this Consolidated Act. For working it was soon found to be impracticable, and to mend it another unintelligible Act was passed. Some of the silly and vexatious regulations are repealed, with several of the absurd penalties, still enough are left and severe enough to be a satire upon the Government of a Nation called,—and in some respects entitled to be called,—the freest on the face of the earth.

The maltster must first be licensed to make malt,

and must enter his premises at the Excise office, and he must use no other premises for any part of his work, no matter what sudden demand for his products may arise. The licence must be renewed annually; but the possession of a licence does not entitle him to take a single step in the way of his business. Before beginning to construct, use, or alter, his cisterns, couches, frames, kilns or utensils of any sort, he must give a written notice to the Exciseman. Nor is it enough that, the Excise officer is duly informed of all his plans; the form and size of the implements and utensils are fixed by law! Though he were to discover that, he might either expedite his business or improve the quality of his malt by making an alteration in his machinery, he is prohibited from doing so! However ill-contrived the implements to be used may be, the maltster may neither change nor amend them! Nor, when the cisterns and utensils are constructed according to law, can he use them when and as he thinks proper! Before beginning work he must give twenty-four hours notice to the Excise officer; and though the Excise officer be duly informed of an intention to make malt, and he be requested to be present, no grain may be put into the cistern to be wetted, except during certain hours of the day,—not judged by the requirements of each case, but fixed by Act of Parliament! Nor may the grain remain in the cistern over fifty-five hours, else the maltster is liable to a penalty of £100, *unless he intimate to the officer before wetting it*, that he intends it to be steeped sixty-five hours instead of fifty-five hours! Should the unlucky maltster give this notice and observe during the period that the grain is being steeped too long, he may neither take it out nor draw off part of the water! Having given notice of fifty-five or sixty-five hours, the grain must, at all hazards, remain immersed that exact period of time, or he must choose to incur heavy penal-

ties,—or the alternative,—to bribe the Excise officer to break his oath, and at the same time to break his own. What a fearful mingling of the solemn and ridiculous!

Though the miserable maltster cannot withdraw his grain from the cistern until it has lain the exact number of hours notified to the Exciseman before it was wetted, under a penalty of £100, he may change the water in which the grain is immersed; but he must previously intimate his intention of so doing to the officer, specifying the hour when he intends to draw off the water, taking care that it shall be between 8 A.M. and 2 P.M., on condition, however, that the grain be again completely covered with water within an hour from the period when the previous water was begun to be drawn off! Any one reading this must wonder that, there is such a creature in existence as a maltster, who is prohibited by Act of Parliament from drawing off his water but in the presence of an Excise officer, and then only between certain fixed hours in the day!

If the Excise officer think the grain is more dense in the cistern than the density enacted by the Legislature, he may measure it, and if it exceed one-twentieth part the density allowed by law, the wretched maltster shall, for every such offence, or *accident* (unless he palter with his solemn oath) pay the penalty of £100!

If the maltster shall use more than one cistern, it is enacted that,—“he shall empty or take all such corn or grain from and out of all such cisterns *at one and the same time.*” If he should empty one cistern before he begins to empty another, by mistake of negligent workmen or otherwise, he will (provided the Exciseman’s oath stand good) be visited by a heavy fine. When one cistern has been emptied, or a number of them have been emptied, no more cisterns can be emptied in the same place until four days have elapsed. A heavy penalty also enforces this rule!

The grain being, at length, got out of the cistern, must be deposited in *couch-frames*, in a particular way, and must remain in them for a certain fixed time, neither more nor less, at the peril of penalty; and it is enacted that, if the malt, when laid out in the couch-frames, shall be in any way more than thirty inches deep, a penalty of £100 shall be inflicted! Expensive lawsuits, occasioned by unsuccessful appeals, against Excise informations and magisterial convictions, were a few years ago tried in the West of England. The appeals were unsuccessful. Some of the maltsters were ruined, though proof was given that accidents *might* have caused the variations in the depth of malt in the couch-frames. The officers of the districts, Oxfordshire, Wilts, Dorset, and other parts not named, were supposed to have long connived at fraudulent practices. New officers were sent to supersede them, and, like new brooms, they swept clean, while they were *new*.

If the malt require sprinkling, as nearly all made in England does, according to the quality of the soil in which the barley is grown, and the kind of barley, it must not be sprinkled, under heavy penalties, until it has lain a fixed number of days. Yet, in that time, the malt may have become mouldy for the want of sprinkling, according to the quality of the barley, and be less or more deteriorated. The various regulations as to sprinkling, and the penalties attached, are too complex to be related here, and a further abstract would be unintelligible.

The maltster must keep a "Barley-book," at all times accessible to the Excise Officer, or incur a heavy penalty, in which must be entered all the barley he buys, the names, surnames, and residences of those from whom he bought it; and containing also a detailed account of all the malt he makes, the names and addresses of the individuals to whom it has been sold, the quantities dis-

posed of to each, with a notification of the hour, as well as the day, when each transaction took place. The Excise officers may enter the maltster's premises by night and by day, according as they may suspect fraud, or be disposed to cause annoyance.

Notwithstanding all these and numberless other inconveniences, penalties, and absurdities, causing many respectable persons and much capital to be driven from the trade,—causing fraud and corruption to pervade all the departments, until the business of malting is infected with all those abuses which inevitably beset every business conducted on fictitious and contradictory principles,—notwithstanding all these vexatious absurdities and this accumulation of penalties, the maltsters are, for the most part, the earnest advocates of the Malt Tax! They would willingly be relieved from the stringent regulations and penalties; but they fear, with good reason, that if the malting trade were free, the simplicity of the manufacture would attract numerous small capitalists, such as farmers, who would malt their own barley, and thus destroy the strict monopoly which the Excise laws now give to the maltsters. Like all other monopolies, the cost of this falls upon the Public. As a necessary consequence of this complicated system, the importation of malt is prohibited.

It is impossible to suppose that, if these details were fully known to the People as essential to the system, such a system could be maintained. The Government, and this applies to all Governments,—relying on the ignorance of the People, and their Representatives in Parliament, for the most part, little less ignorant, and much less honest,—go on maintaining this pernicious system, for its power and patronage; in face of all the danger signals.

What confidence can be placed in any Government so acting, so influenced, and so supported?

There is great responsibility in making known these measures of injustice to the common interests of the common People; but if the exposure be dangerous, the danger is greater of leaving the People in ignorance of these real causes of their distress and discontent. What is it to the struggling laborer and his starving family, the form of government or who governs, if by his labor he can barely keep himself, his Wife, and Children from starvation? How are men, whose lives are spent in daily toil for bare subsistence, to learn these causes of their misery? It is easy to say,—they are ignorant, improvident, and, for the most part, drunkards. But what, if they be made so by their over-worked, ill-housed, and miserable lives, without a gleam of hope of anything better before them in this world?

How can they read Acts of Parliament?

How many have undergone the labor of reading even the Acts of Parliament here referred to about malt?

Who, that has not tried, can tell the cost of time in reading these Acts of Parliament only for this short abstract?

And how many will take the trouble even to read this?

How can the laboring man, for whom this is chiefly written, find time to read it?

And how many of those who read it will understand it? But, when they do understand it,—then, what will follow?

This is worth considering before it be too late.

The following is reserved as the last remark, being well calculated to leave an indelible impression on the mind of every reader of the audacious absurdity of this system.

The Malt duty entails an Excise duty on Sugar used in Brewing of 7s. 6d. per cwt., over and above the Customs' duty. The details of the arrangements considered necessary to protect the Revenue against the

improper use of Sugar are of an utterly absurd character, and would fill volumes.

It would be ridiculous, if not so grievous, that a Brewer should have to pay three farthings per pound more for sugar than any one else.

The Brewers like these 3 farthings per lb. additional tax, because it helps their monopoly.

The demon of the Exchequer likes these 3 additional farthings, because he claws them in every year, and in the year ended 31st March, 1870, he clawed in 33,136,880 of these additional 3 farthings, equal to £103,552 : 15 : 0.

But will the People like it when they understand it?

The People are already aware that, a better order of things once existed.

In 1745, the farm laborer bought his barley at 2s. 3d. per bushel, turned it into malt, paid no tax,—(the cottagers were not then taxed)—and made excellent ale for his own use at $\frac{1}{2}d.$ the quart.

Beer, best adapted to support out-door labor, is now kept from the people, being made, by legislation, too dear for them.

An infusion of a plant brought from China is made cheaper to the working man than an infusion of a plant grown by the cottage door. The Home barley-grower is injured for the benefit of the Chinese tea-grower, and all our working men are injured morally and physically to an extent beyond human calculation.

This is British Legislation !

Tea is very good for quenching thirst, but, when exclusively used, requires a full diet, and, when that cannot be obtained, there is the desire for some more potent stimulant. Hence the Chinese find the necessity for Opium, and English, Scotch, and Irish laborers, who drink tea and are too poor to buy sufficient food, resort to gin and whiskey.

The love of strong drinks is not natural to the English, but is created by the English Law. William III. and Queen Anne taxed malt, and made the beer too dear for the people, and encouraged the extraction of spirits from barley for the sake of revenue. In the reign of George I. and II., gin-drinking became a prevailing vice. In 1703, the dear and fiery wines of Portugal were admitted at a third less duty than the light cheap wines of France. Thus, the British Legislature created artificially the taste for strong drinks. This has gone down from father to son, from generation to generation, and has produced more moral guilt, more destruction to human life than all the battles fought by England since the Conquest.

Gin-drinking has been sanctioned and encouraged in this country for the sake of Revenue, just as gambling has been encouraged at Homburg, Baden, and other towns on the Continent, to the everlasting disgrace of the British Legislature.

It is well known that, those who drink beer with their dinner require, and ought to take, less solid food. Our agricultural population are notoriously ill fed, and their terrible diseases arise chiefly from this cause and its consequence,—gin-drinking.

If good wholesome beer were allowed to be brewed in the cottage, or to be bought at a price at which the laborer and his family could obtain it, this would supply food and diminish drunkenness. The rich man, with abundance of wine and spirits in his cellar is seldom tipsy. He has no reason for drinking to excess. He can always have it, and learns from experience the value of moderation. The labouring man, in the like position, would act in the same way. It is the forced abstinence in the previous days of the week that causes the abuse on Saturday.

But beer, free from adulteration, can now scarcely be

had for money. The exhausted laborer drinks, and by drinking salt, and worse ingredients, becomes more thirsty. He is doubly robbed—robbed in character, because he drinks too much,—robbed in pocket, because he is cheated. He is then driven to gin, and dies a drunkard,—or is hanged as a murderer.

For all this the British Legislature is responsible. May it be held answerable here and hereafter!

WINE.

The Gross Produce of the Tax on Wine in 1870, on 14,531,460 Gallons, was £1,478,862, levied at the following rates:—

	<i>s.</i>	<i>d.</i>
On Wine containing less than,—		
26 degrees of Proof Spirit.....	1	0 per gallon.
„ „ less than 42 degrees	2	6 „
„ „ containing 42 or more degrees of Proof Spirit.....	2	6 „
		and 3 <i>d.</i> additional for each degree of strength beyond 41.

This is a very uncertain and, therefore, very unsatisfactory mode of estimating the duty.

In 1703, the ruin of the Wine Trade was effected by making permanent the treaty with Portugal, named, from the British Minister who accomplished this simple absurdity, the Methuen treaty.

By this treaty England bound herself to charge a duty on French Wines 50 per cent. higher than on the Wines of Portugal, the Portuguese, by way of compensation, binding themselves to admit our woollens into their markets in preference to those of other countries, at a fixed and invariable rate of duty.

By binding ourselves to receive Portuguese Wines for two-thirds of the duty payable on those of France

we, in effect, gave the Portuguese growers a monopoly of the British Market, by which they became careless of the quality of their Wines. They, acting on the same absurdity, gave a monopoly to the Oporto Wine Company, which fixed the price at which all wines should be sold.

Thus we not only excluded one of the principal equivalents the French had to offer for our commodities, and proclaimed to the world that we considered it better to deal with *two* millions of poor customers than with *thirty* millions of rich customers, but we also provoked the retaliation of the French, who forthwith excluded most of our articles from their markets.

This is, perhaps, the most striking instance in the history of commerce, of Customs' duties diverting trade into new channels, and altering the taste of a people, all but the wealthiest classes having been compelled, for a long series of years, either to renounce wine or to drink Port.

The substitution of Port for Claret in Scotland was a dreadful blow to the Scotch Lairds, as pathetically described by a Scotch Poet (whose name is just now forgotten), in the following lines :—

“ Firm and erect the Caledonian stood,
Tender his mutton and his claret good :—
‘ Let him drink Port,’—the English Statesmen cried,
He drank the poison—and his Spirit died.”

Another consequence has been that, about a *third* of all the Portuguese and Spanish Wine, sold in London as genuine, is a liquor manufactured in this country or in the Channel Islands, and a large proportion of all the rest is more or less adulterated with substances more or less deleterious. As no abatement of duty is made on account of damage, all damaged wine is used for adulteration.

The French tariff, which admitted French Wines into

this country at more moderate duties, greatly mitigated the Methuen mischief,—though how the consent of Portugal was obtained, if obtained, to this change, seems not to be generally known, and cannot be here explained, unless by regarding treaties as binding on either party only so long as convenient to both parties.

Of the extent of adulteration practised on wine in this country, the public can have but a very faint conception.

From an official return in 1835, 210 pipes of port wine had been imported into the Channel Islands, (where no duty is payable), from Portugal, in the eight years ending, 1833; while, in the same period, 2,072 pipes of port wine had been imported from the Channel Islands into London.

For the deleterious, and in many cases poisonous, quality of the ingredients used, the numerous books treating on this part of the subject must be referred to.

These fraudulent practices have been so long in operation and in such general use that, probably, they would not cease with the abolition of the wine duties. But, as they are in a great part the result of the duties, it may be expected that, a more genuine article, obtained at the same or a lower price than the fraudulent and poisonous, would be preferred, and this would be found in the market in the absence of Customs' duties.

It is well known that, in prolific vintages in France, innumerable tons of grapes have been left to rot on the ground for want of gathering, the owners not having casks for storing the wine. No doubt, casks would have been provided, and this waste would have been avoided, if England, by high duties, had not prevented the cheap wines of France from being introduced into this market, and the English people would have been refreshed with these cheap, wholesome, and pleasant wines, instead of the expensive and deleterious com-

pounds; and, what is more important, our workmen in the manufacturing districts would have been employed in making goods to send in return for the large import of wine from France; and the unprofitable retinue of public and private servants, now engaged in working out the present system of Customs' duties, would have been employed in profitable production.

There is a great deal of excellent wine, made in Provence and Languedoc, well adapted to the English taste generally, which, if free of duty, could be sold, with good profit to the importer, for less than sixpence a bottle.

Old Sherry, as well as old wine of any other kind, is better than that more recently made; and, therefore, at Xeres, the head quarters of the Sherry trade, the birth-days of the respective vintages are well recorded. The vast cellars contain wine of all ages, from one year to fifty. The casks of very old wine are never emptied; only a small quantity is drawn out to mix with a larger bulk of newer wine; and the deficiency is immediately made up from casks of the next succeeding year's vintage. A cask of good Sherry, brought to England, may contain portions of twenty or thirty vintages; but under no circumstances is the very old Sherry sold without admixture with vintages of later date.

Port wine, as it is called, is not Port wine, but a mixture of many things with a wine which may, or may not, have come from Portugal. At Oporto the wine merchants, or manufacturers, mix elder juice, apple juice, sloe juice, logwood decoction, and many other liquids with port wine, to accommodate it to the purses of their customers. The real wine of the Douro scarcely reaches England at all, and foreigners are astonished that we still continue to purchase an adulterated substitute. Nor do the Spaniards tamper less with our Sherry, than the Portuguese with our Port.

Both nations consider the English taste for wine vitiated, and that we are easily victimised. It was stated before the Committee on the Wine Duties in 1852, by W. Forrester, an extensive wine-grower in Portugal, that no port-wine is brought to England with less brandy in it than three gallons to a pipe of 115 gallons; that the ratio varies from this minimum of three up to a maximum of seventeen gallons, and that, if it contained no brandy, or less than three gallons to a pipe, the English would not purchase it. In so far as concerns brandy, the wine-growers of Oporto and Xeres may be excusable in yielding to vitiated English taste, but when elder juice, sloe juice, and logwood decoction are introduced into the wine to dye it, and other ingredients as substitutes for the wine itself, the temptation to dishonesty becomes great.

A pipe of Port wine rises remarkably in price during its successive stages, varying from £5 to £17 when in the grower's hands; this £17 becomes £27 at Oporto; after which are added the English charges and duties.

Of all the Wine made in Europe, the quantity of which can hardly be estimated, there is supposed to be about sixty millions of gallons exported annually from wine-producing countries to other countries. We, in England, obtain a very humble portion of this. The Committee gave a table of the quantity of wine imported into the United Kingdom for a period of about ninety years,—from 1697 to 1785,—a table remarkable as exhibiting the almost stationary nature of the wine-trade during a period when most other departments of commerce advanced rapidly; the quantity never varying far from 2,000,000 to 3,000,000 gallons annually. Another table exhibited the imports from 1786 to 1851, a period of sixty-six years, both inclusive; the quantity varying from 4,000,000 to 11,000,000 gallons.

The Portuguese wines maintained an ascendancy over Spanish until about the year 1830, since which time the balance has been rather the other way. During the last quarter of a century, the quantity entered for Home Consumption, as distinguished from the quantity imported, has never varied far from the average of the whole, to the year 1860, being about six and a quarter millions of gallons.

Cape wines, almost the only wine brought from our Colonies, began to figure in the Customs' books about the commencement of the present century. For some years, Marsala, a Sicilian wine has been growing in favor in England: it is better than Cape wine, and cheaper than Sherry or Madeira, but is very inferior to both, and being much cheaper is much used for adulteration by the London Wine Merchants.

The average quantities of the different kinds of Wine brought to England annually between 1830 and 1854, were about as follows:

	Gallons.
Spanish	3,300,000
Portuguese	3,000,000
French	500,000
Cape	400,000
Madeira	230,000
Canary	220,000
Rhenish	70,000
All Other	480,000
Total—Gallons	<u>8,200,000</u>

These were the total quantities imported, the proportion retained for Home Consumption being about three-fourths.

The quantities of Wine imported in 1868, 1869, 1870, according to the Customs' returns, were as follows:—

	Imported.			Home Consumption.		
	1868.	1869.	1870.	1868.	1869.	1870.
Wine—Gallons	16,953,429	17,184,830	17,774,781	15,064,575	14,731,173	15,079,854

The 'Home Consumption' appears to be nearly equal in these three years, being about fifteen millions of gallons annually.

The 'Home Consumption' in the three years, 1854, 1855, 1856, was nearly equal, being about seven millions of gallons annually, showing an increase in 1868, 1869, 1870, of upwards of 100 per cent.

The consumption of Light Wines in 1859, the year before the old Port Monopoly was stopped, was 885,000 gallons, or 13 per cent. of the whole consumption. In 1869, it was 4,572,798, or 30·8 per cent. of the whole consumption !

So much for the alteration of the French Tariff!

SPIRITS.

There are three scales of duties on spirits ; one levied by the Customs on Colonial Spirits, one on Foreign Spirits, imported for Home Consumption, another by the Excise on Spirits distilled in the United Kingdom, for Home Consumption.

No abatement of duty is made on account of damage.

				£.
The amount of Customs' duties on Spirits in 1870 was	4,191,400			
„ „ of Excise duties „ „	10,969,188			
				<u>£15,160,588</u>

This is a large amount of revenue from Spirits. Some think there is less evil in taxing Spirits than in taxing any other article of commerce. It is said by many that the removal of the duties would so reduce the price of Spirits as greatly to increase intemperance. But this is fallacious.

If cheapness of intoxicating drinks promoted drunkenness, as a rule, those classes of society which have the highest purchasing power should, as a rule, be the most drunken. The converse is the fact. Drunkenness, must therefore, be looked for in some other cause than cheapness. In the United States there is no Excise Duty. Spirits, equal to "proof" strength may be had in the United States at *one shilling a gallon*. All testimony proves that, America is supplied with its intemperate classes from "the old country."

In the Parliamentary Evidence on Drunkenness, taken in 1834, it is proved that, in times of depressed trade and general distress more drinking prevails, than in times of full employment and general prosperity. This has, subsequently, been ascertained to be true in Manchester, Liverpool, and other great manufacturing towns. The pecuniary ability to procure intoxicating liquors is not, therefore, the disposing cause of intoxication.

It is not the present object to inquire into the causes or the cures of drunkenness. It is enough to show that, neither in this country nor in America, nor in any other country, does intemperance increase with the ability to purchase strong liquors. If it were otherwise, in Wine producing countries drunkenness would prevail, instead of being unknown. But the evidence is abundant to prove that, the duties in this country are productive of serious evils, moral and commercial.

One of the most remarkable attempts to make people moral by Act of Parliament was planned by Sir Robert Walpole, and not less remarkable is the manner in which that attempt was frustrated. A Gin Law was passed to put down intemperance, by rendering Gin too dear for the poorer classes to purchase; the duty was raised to £50 per annum. How this was met, Sir Robert Walpole himself explains, in a Letter to Horace Walpole:—"The scheme that was laid was, for all Dis-

tillers that were able to give away *gratis* to all that should ask for it, as much gin and strong waters as they should desire; and the great Distillers were to supply all the retailers and small shops with as much as they should want, to be distributed and given away in like manner. The shops were to begin to be opened on Tuesday Evening, the eve of Michaelmas Day, and to be continued and repeated on Wednesday night, that the mob, being thus made drunk, might be prepared and ready to commit any sort of mischief; and in order to this,—anonymous letters were sent to the distillers and town retailers in all parts of the town, to instruct and incite them to rise and join their friends, and do as their neighbours did.”

For six years, from 1736 to 1742, the metropolis was the scene of an almost uninterrupted conflict between the Government and the People, in respect to this Gin Act. The riot, described in the letter of Sir Robert Walpole, was put down by the strong arm of the law, aided by military power; but the opposition continued to show itself in milder, though not less pertinacious forms, frequently quite ludicrous in character. The Apothecaries were permitted to sell Spirits as a medicine, and advantage was taken of this permission to drive a trade under false colors. Almost immediately after the Act came into operation, the Apothecaries had a prodigious demand for ‘gripe water,’ ‘cholic water,’ and so forth, the spirituous nature of which may be readily surmised. One Apothecary sold drams colored red to appear medicinal, and around the bottle was wrapped a paper with these directions: “Take two or three spoonfuls of this four or five times a day, or as often as the fit takes you.” Every Apothecary had his own form to the same effect. The gin-shops and low taverns, not allowed to sell gin openly, exhibited numerous liquors which, though disguised in name and

appearance, contained gin as the principal ingredient. The list of such drinks was quite formidable: "Sangaree," "tow-row," "cuckold's comfort," "parliament gin," "makeshift," "the last shift," "the ladies delight," "the balk," "King Theodore," "cholic water," "gripe water," &c. Even the modern Americans have not a greater number of odd names for beverages than had the London tavern-keepers of Walpole's time. More than two thousand persons were, in various ways, prosecuted for offences against the Gin Act during the short period of six years: but the attempt was all in vain; the drinkers vanquished the Government, and the Legislature repealed the Act in 1742. It was to those days that Hogarth's 'Gin Lane' belongs,—that wonderful representation, in which the very houses seem reeling with drunkenness.

It is impossible to make people moral by Act of Parliament, but even to those who think otherwise it must appear questionable morality to derive so large a revenue from a source of so much immorality. The history of these duties proves that, taxation is not the means for combating with habits of intemperance. Such habits are not the effects of cheap Spirits, but of a low tone of morality, with bodily and mental depression; and it must be Education, not Excise,—uplifting the physical as well as moral condition, and raising the standard of comfort, that will put a stop to such evils.

A much more effectual mode of counteracting intemperate habits would be to untax such articles as Beer, Tea, Coffee and Sugar. Mr. Porter, in his "Progress of the Nation," page 562, says:—"If, by reason of the cheapness of provisions, the wages of the laborer afford means for indulgence, tea, coffee, and sugar, are the articles to which he earliest has recourse, and his family partake in the sober gratification. On the other hand, it will often happen that, when the power of buying

these is not enjoyed, the small sum that can still be paid after the purchase of his loaf is bestowed in procuring that stimulating draught, which is then more than ever desired, and the man is driven from his cottage to the public-house. We may thus reconcile the apparent anomaly, so often remarked, that the Excise Revenue maintains its level during even lengthened periods of distress."

This Excise tax, however, interferes with a very important home manufacture, and, as such, is a direct tax on native industry, limiting the employment of the people, and, to this extent, the tax is responsible for all the evils which follow therefrom.

To the Customs' duties on colonial and foreign spirits, however, must be attributed the greatest evils, in demoralising the lower classes of the people. It is this which created and has sustained the trade of the smuggler, ruining the honest trader; filling the gaols with criminals (often guilty of the deepest crime); increasing Borough and County Rates; adding to the expenses of collection by rendering necessary the preventive service, and proving itself a prolific source of social evils of the darkest dye.

Another of the serious evils is, the practice of adulteration, which is carried on to a most alarming extent; destructive not only of health, but also of life, to an incalculable amount. Of these villainous compounds, and the most extensively used is, oil of vitriol. Those who wish to know more of the deplorable effects of these noxious ingredients, must refer to the collected evidence in Reports of the Committees of the House of Commons and in various other forms before the public. From the abundant evidence here are two extracts:—

"It is, no doubt, to the unprincipled adulterations of food, spirits, malt liquors, &c., that a great number of deaths, in and about the metropolis, is assignable. The

adulterations are not sufficient to cause instant death, but operate slowly, silently, and imperceptibly, so as not to excite suspicion and inquiry respecting the cause. This is a remark founded on much observation and very probable grounds. It is hoped that, it will awaken public attention and inquiry into these nefarious transactions.”—*Oracle of Health*.

“We have reason to believe that *the drugs* with which the ordinary kinds of gin, as well as malt liquor, *are universally adulterated*, have greatly tended to this melancholy result,—the recent increase of insanity.”—*Report of the Hanwell Lunatic Asylum, Middlesex*.

The loss by the duty on British Spirits it is hardly possible to compute with accuracy, owing to the absence of any reliable information as to the quantity of malt used in distillation, the difficulty of ascertaining the distiller's expenses, and the manner in which the whole subject is perplexed by rectifying, mixing, and adulterating the spirit. Enough, however, is known to show that, the loss to the public on British Spirits is more than on Beer.

That the Irish drink more Spirits per head than the English, and the Scotch more than the Irish, is known from popular observation, confirmed by the Excise Returns, while it is unquestionable that, the English drink more Beer than the Irish or Scotch. There is scarcely a true Scot, whatever his rank of life, who does not take his tumbler of Hot Whusky Toddy at some cosy hour of the day or night, and the true Irishman does the same whenever he can, but which is not quite so often.

The following are the quantities of Spirits charged with Excise duty in England, Scotland, and Ireland in the year ended 31st March, 1870 :—

England.....	Galls.	9,359,946
Scotland	„	7,457,599
Ireland	„	6,037,684
Gallons.....		<u>22,855,229</u>

The following are the quantities of Spirits charged with Customs' duties in the year 1870.—

Brandy	Galls.	7,925,517
Rum	„	6,904,435
Geneva	„	308,983
Other Sorts, not sweetened, or mixed ..	„	2,022,029
Gallons.....		<u>17,160,964</u>

The following are the Nett Receipts of Duties of Excise on Spirits in 1870.

England	£4,479,685
Scotland	3,473,017
Ireland	3,016,486
Total.....	<u>£10,969,188</u>

The following are the Nett Receipts of duties of Customs on Colonial and Foreign Spirits in 1870.

Rum	£1,933,383
Brandy	1,710,335
Geneva.....	73,091
Other Sorts.....	474,591
Total.....	<u>£4,191,400</u>

By Act 33 & 34 Vict. c. 32, 1st August, 1870,—the rate of Customs' duty on Spirits and Strong Waters, viz. Perfumed Spirits and Cologne Water was altered, per gallon, from 14s. to 16s.

The quantities of British, Colonial and Foreign Spirits divided amongst the Population of the United Kingdom, according to the Census of 1871, 31,465,480, gives

about $1\frac{1}{3}$ gallon of Spirits per head. The smuggled, and illicitly distilled, Spirits contribute two additional items, concerning which the public are in the dark.

The discrepancies in the returns of the quantities of goods imported and the amounts of duty charged, as made out at different times by the Commissioners of Customs and the Commissioners of Excise, and the impossibility of reconciling some of these returns with the entries in the Government Finance Accounts, after distinguishing between Nett and Gross, are extremely perplexing, and must account for any discrepancies in these statements.

The number of "Detections" in Illicit Distillation in the United Kingdom, according to the Government Return for the year, ended 31st March, 1870, is as follows:—

Year ended 31st March.	England.	Scotland.	Ireland.
1870.	40.	5.	2,215.

This is bad luck for poor Paddy !

SUGAR.

This is a subject so important,—involving so many complicated details difficult to follow out, that it must be dealt with at considerable length and tedious minuteness to make it intelligible to those unconnected with the Sugar Trade.

The time and attention which has been required for writing this short account of the Sugar Duties can hardly be conceived, and is adverted to only to account for the ignorance of the Public on this subject, which so much concerns them.

It is difficult to believe that the Government is aware of all the evil effects of these duties ; but it is impossible

to suppose that the Public, if fully acquainted with the enormity of these evils, would have permitted them to be continued to this time. Nothing can present in such crimson colors the iniquitous impolicy of Customs duties, as the actual case of the Sugar duties, and nothing less than ignorance can excuse the Government, if an excuse so pitiful and contemptible can be admitted for continuing, after long experience, this monstrous folly and injustice.

To deprive the Government of even this miserable excuse, the subject will be here laid bare, that the People, when they know the wrong, may, with one united voice, demand the prompt and only decisive remedy.

It is difficult to present this subject fully and intelligibly within reasonable limits. The comparatively small space into which the subject is here compressed is the result of many years' careful attention, with the assistance of those who, from great experience in the Trade, are most to be depended upon.

I now submit this result to the Public, and I invite their attention to it, the Sugar duties being scarcely less important in their consequences than were the duties formerly levied on Corn.

Sugar, being a necessary of life, is most improperly made to yield a large revenue to the State, the revenue from these duties being, in the year ending 31st March, 1870, £5,674,794. This includes Sugar, refined and unrefined, and Molasses, and the following Articles of which Sugar is an ingredient, namely, Glucose, (Liquid) or Vegetable Syrup: Almond Paste: Cherries, dried: Comfits, dried: Confectionery: Ginger, preserved: Marmalade: Plums, preserved in Sugar: Succades: and this ends the list of these absurdities.

This is no more to be justified than a tax on Corn or Salt or any other necessary of life.

The following statistical facts may suffice to show how the bounty of Nature is counteracted by human devices in the single article of Sugar.

The annual Sugar production of the world is about 3,500,000 tons, of which 900,000 tons are produced on the Continent of Europe from Beetroot : 2,500,000 tons from the Sugar Cane in the Tropics : the remaining 100,000 being made up by Palm Sugar about 70,000 tons, and Maple Sugar about 30,000 or 40,000 tons.

The average free on board price of Sugar may be taken as 18s. per cwt., or for 3,500,000 tons,—£63,000,000. But the production is capable of an almost fabulous increase, even from the area now under cultivation, because in the Cane producing countries, with the exception of Cuba, Porto Rico, Mauritius, Demerara, and a few other places where Sugar is properly made, the system of growth and manufacture is almost incredibly wasteful. Out of the 2,500,000 tons of Cane Sugar, only 1,000,000 tons are even approximately economically and properly prepared, and the remaining 1,500,000 tons represent a waste of 3,000,000 tons in the extraction:—that is, two-thirds of the Sugar contained in the Cane is actually wasted, while the remaining third is exported in such a state as to be quite unfit for modern requirements, until it has been refined, and, owing to imperfect manufacture, it loses in weight quite 10 per cent. on the voyage to Europe or North America. The price obtained by the Planters is 18s. per cwt. for their 1,500,000 tons, less 150,000 tons lost on the voyage, or he gets say £18 per ton for 1,350,000 tons, or equal to £24,300,000, while the Sugar wasted in production or on the voyage would, at the same rate, be worth £56,700,000. Advanced Planters say that, it does not cost any more to make sugar well than to make it ill, but suppose it costs 10 per cent. more, or £8,000,000 on the value of the Sugar in the cane, that

will reduce the loss to *only* £48,700,000, or more than double what the Planter gets.

In these calculations the production is taken at 18 per cent., the per centage contained in the Cane, but in the present state of science 15 per cent. would be a safer figure. This would represent a deduction of £14,000,000 from the waste shown above, or of £22,000,000, adding the £8,000,000, assumed as the extra cost of production, thus reducing the loss on producing 1,500,000 tons of Cane Sugar, worth £24,300,000 to *only* £35,000,000. Certainly, therefore, it is within bounds to say that, three-fifths of the Cane Sugar produced costs more than double what it ought to cost. If 1,500,000 tons can be sold for £24,000,000 (after wasting 3,000,000 tons) a yield from the Canes (at 15 per cent. from the same area and at an extra cost of production of 10 per cent.) would be 3,375,000 tons, which, at 10s. per ton would yield the Planter £33,750,000, or considerably more than enough to pay an extra cost of production of £8,000,000.

It must be remembered that, this Sugar would be of the finest possible quality, nearly white, and with more sweetening power than Loaf Sugar, now retailed at 5*d.* to 6*d.* per lb. while this superior Raw Sugar could be retailed, with a good profit to all concerned, at 1½*d.* or 2*d.* per lb. The present retail price of Refiners' Refuse, or Bastards, the commonest consumable Sugar is 3½*d.* per lb.

These vast losses are, therefore, attributable to the Sugar Duties, and the method of levying these duties is a subject of continual controversy. There is no article the method of taxing which has led and still leads to such constant discussion as Sugar. Since 1840 there have been no less than *twenty-six* changes in the Sugar duties, generally involving questions of principle, as well as of detail, and a settlement is as remote as ever,—

every change only leads to increased controversy among those concerned in the trade, and the Public, who are the most interested and know the least about it, take little part in these discussions.

Since 1864 there have been four or five conferences between England, France, Belgium, and Holland. The Sugar Refiners, finding that, the home protection was no longer of use to them because of the reduction of the protective margin of duty on Loaf Sugar from 6*s.* per cwt. in 1860, to 4*s.* in 1864, and 2*s.* in 1870, sought and are still seeking, under the Drawback Convention, to establish a league among the four powers for the mutual protection of their Refiners, and one of their objects is to raise prices in this country by inducing foreign Governments to reduce their bounties on the export of refined sugar to the same point as our bounties, so that the British Sugar Refiners may again export Loaf Sugars, at the cost of the Public, as they already export Pieces.

But though the Public, with little knowledge, take little interest in this subject, the Government must be supposed to know all about it, and, therefore, there is no tax which reflects so much discredit on the Government as these Sugar duties, especially on the Government which professes to govern on Free Trade principles, and no member is theoretically more in favour of complete commercial liberty than the present Chancellor of the Exchequer. He is, however, at this moment engaged in one of the most retrograde steps of modern times, namely,—that of forcing the French Government to adopt our system of graduated duties, against the unanimous protests of the French Sugar Makers, and this is simply to please our Refiners at the expense of the Public. No doubt, we have a right to our pound of flesh under the Drawback Convention, but that Mr. Lowe should be the protectionist Shylock who demands

the sacrifice is strangely at variance with the professions of such an ardent Free Trader, who even opposes Commercial Treaties as making a matter of bargain what ought to be done only on principle. To be opposed to the Commercial Treaty and yet to force an antiquated protective system of Sugar duties upon France at the same time are two incongruous courses difficult to reconcile.

Before the Budget of 1870, the highest duty was 12*s.*, the lowest 8*s.* The highest duty now is 6*s.* the lowest 4*s.*, therefore, the protection which was 4*s.* is reduced to 2*s.*, the duty on Loaf Sugar being reduced 6*s.* per cwt., whilst that on Raw Sugar is reduced only 4*s.* per cwt., and still, no less than five distinctive rates are maintained upon Sugar, necessitating the drawing of nearly five millions of samples yearly by the Assessors, in order to charge 6*d.* per cwt. more or less duty. The result is that, the graduated scale yielded gross in the first year of the present duties £55,000 *less* than an uniform duty of 4*s.* 8*d.* per cwt. would have yielded on the same quantities of Sugar and Molasses.

To maintain this system numerous Clerks and Assessors are kept throughout the kingdom, and it often occurs that, the very same sugars are assessed at different duties at different ports. With West India Sugars the bottom layer in the cask is almost invariably deep brown, whilst the upper layer is the brightest yellow; so that, the former is subject to 4*s.* duty, and the latter to 5*s.* As the cask lies on its side in the ship, the "*bottom*" layer is not the bottom of the cask, but the lower part of the whole length of the cask. The consequence of this is, the expense of sampling and mixing the two, and the duty is assessed according to the pleasure of the officer or sampler, who, as his *interest* or fancy dictates, fixes the rate of duty at 6*d.* more or less.

Every alteration of the Sugar duties has tended towards equalisation ; but for the interests of the Sugar Refiners and the Custom House Officials the system of *ad valorem* duties is still maintained.

One complaint against this so called *ad valorem* system is that, the duties cannot possibly, from the nature of the article, be *ad valorem* : another that, *ad valorem* duties are very unjust to the producer of the finer sugar, as the buyer pays only the intrinsic difference in value, *plus* the lowest rate of duty. Thus, the commonest sugar may now be worth to the buyer, duty paid, 20*s.* per cwt. while the finest is worth 37*s.* — difference in intrinsic value 17*s.* The duty paid on the lowest is 4*s.* :—on the highest 6*s.* The producer thus gets 16*s.* for the low sugar and 31*s.* for the highest :—difference 15*s.* instead of 17*s.*, the difference that the buyer actually pays. Thus, the Planter abroad pays the extra 2*s.* duty imposed by our Government as a fine for having been at the trouble and expense of making a whiter sugar than his neighbor.

Every one connected with the subject and opposed to this system is weary of the question, and very few others know anything about it. The Custom House Officials have it all their own way, and from them the members of the Government derive all their information. The assessment of Sugar for the duties is one of the principal main-stays of the Custom House, by giving employment to a vast number of Clerks and great influence to the higher officials.

As long as the scale of duties continues these evils must exist, as the necessary consequences of this expensive and injurious system.

Although the scale of duties is reduced, the slovenly process of manufacture in the West Indies continues, and still more in the East Indies, where the “poor ryot,” whom Mr. Cave is so very anxious to protect

against the "grasping capitalist," conducts the manufacture of Sugar by boiling the juice in an earthen pot over a fire on the ground, round which the family squat in a circle, stirring the mixture with a stick in turn. Sugar so made is called "Jaggery," and contains only 66 per cent. of extractible crystallisable saccharine: it is black, full of caramel, and useful only for beer making and cattle-feeding.

The result of such a system is to be seen in the fact that, the exports of sugar from India,—the native home of the Cane,—fell from 80,000 tons in 1850-1 to 16,000 tons in 1869-70, and that India actually now *imports* sugar to the value of £800,000 per annum.

The discouragement to the manufacturers of Sugar has been so great, and the changes seriously affecting the trade have been so numerous that, there is now, in most instances, want of capital, of energy, and of cheap labor.

In many cases, and mostly from the Tropics, only 30 to 35 per cent. of the Sugar contained in the Cane reaches England. It is lost in drainage, in the form of molasses or is imperfectly extracted, and on arrival in England four-fifths of the whole quantity imported is re-made, at a cost of 4s. per cwt., a useless expense, which inflicts a charge of £2,000,000 a year on the British consumer, or two-thirds of the yield of the Sugar duties.

With good machinery and less labor the purest white Sugar can be made direct from the juice, and good Sugar may be shipped to pay a profit to the Planter at 10s. per cwt. Added to this 5s. to cover all charges, exclusive of duty, the cost of good grocery moist sugar, which cannot now be bought under 34s. would be 15s. per cwt., and White and Loaf Sugar cannot now be bought under 40s. to 42s. per cwt.

Such is the effect of our Customs duties on this

necessary of life, and England is the largest trading and consuming country in the world for Sugar, England and the United States being now the only great markets for Cane Sugar, since the rapid rise of the Beet-root cultivation, due entirely to the fact that, Germany, by levying an uniform duty on Raw Beet-roots, made it essential to get as rich roots as possible.

The yield of the Mangold Wurzel in Sugar was 4 per cent.: the variety of Beet now raised by careful selection and cultivation actually yields 7 to 8 per cent. The Cane, which contains 18 per cent. of Sugar, yields only 5 to 6 per cent. of Sugar and $2\frac{1}{2}$ to 3 per cent. of molasses in our West India Colonies.

The effect of the *ad valorem* principle is to make it more profitable to produce *bad* sugar than good sugar. The inferior quality is, therefore, imported into this country under the lower duty for the benefit of the Refiners, and the pure crystallised juice of the Cane is actually mixed with inferior qualities, to be imported into England under the lowest duty. In other words, the pure crystalised juice, which is always white, is *purposely* spoilt either by careless manufacture, which produces "caramel,"—or by direct adulteration, mixing or coloring the pure crystalised juice with a stream of caramel, with which, at a trifling cost, the finest crystalised sugar can be made to come in at the lowest duty, to the great benefit of the Refiner, who profits by the fraud on the Revenue. "Caramel" is burnt sugar, —the most delicate coloring substance known, and thus puts a dark coat on the crystal. This dark coat can easily be removed from crystalised Sugar by dabbing it with damp blotting paper.

If the shameful principle of a tax on such a necessary of life as sugar is to be admitted, it must be manifest that, one low uniform duty would be more productive and much less expensive than the *ad valorem* system.

There is no more intrinsic difference between Sugars than there is between Teas, and why the *ad valorem* principle should be applied to Sugar and not to Tea is unintelligible, for any honest purpose. The conclusion can only be that, the principle is unjust, and the purpose dishonest.

But the Refiners say that, there is a great difference, because Tea is a manufactured article; whereas, they divide Sugar into raw or manufactured, according to its being raw or refined. This is altogether a mistake, for *all* Sugar is more or less manufactured, the raw material being the Cane. The difference between raw and refined Sugar is simply a more or less complete manufacture. Raw Sugar is naturally white. Loaf Sugar is largely made on the Continent direct from the Root, and is thus *Raw*, in the Refiners' sense, as it requires no second process.

It is impossible to apply graduated duties fairly, and a uniform duty places all parties in the relative position they would occupy to each other if there were no duty. But under no circumstances can it be justifiable, or even excusable, to impose a duty on such a necessary of life as Sugar.

The advocates of graduated duties hold that, the duty on Sugar should be levied on the *ad valorem* principle for the following reasons:—

1. That, this alone can enable the home refiners to compete with the foreign maker.

2. That, a uniform duty would be a discouragement to the producers of common sugars, and would throw the production into the hands of the capitalist, and would destroy the industry of thousands of native manufacturers.

3. That, a uniform duty would raise the price of Sugar, by excluding from the market the vast quantities of cheap dark Sugars which now come here, and which,

at a trifling expense, are turned into palatable moist sugar by the refiners.

This is their argument quite correctly stated. But, why is it that, their *lowest* sugar, which no one tolerably well off would allow in his house, cannot be sold under $3\frac{1}{2}d.$,—when, as before shown, the *finest* Raw Sugar could be retailed in a few years at $2d.$ per lb., if there were no duties?

This view is supported by the British Refiners and by those who think it desirable to protect home industries; also by those Planters who have little capital and who are, consequently, unable to buy the machinery required to make fine Sugar, or whose estates are too small to pay the expense.

1. To maintain these duties for the benefit of the British Refiners is an argument that does not deserve an answer.

2. A uniform low duty, instead of being a discouragement to the producers of common Sugars, would increase the demand for common purposes, for fattening cattle,—for manure, and for many agricultural and other purposes, for which the common sugars are now not used, as the prices would be lowered by the increased demand and supply.

3. A uniform duty would lower the prices of all sugars by increasing the demand and supply, and the best sugars would come over in pure crystals, thereby avoiding the expense of refining, and thus reducing the prices of the finest sugars below the present prices of the most inferior sugars.

But the view under present consideration is not the reduction to a uniform rate, but the abolition of these duties, and in this view these answers admit of no reply.

The principle of *ad valorem* duties is altogether erroneous, as it taxes the best producers most highly, and as the consumer buys only by the difference in

intrinsic value, the best producer has to pay out of his profits the difference in taxation between his and an inferior article, and this must act as a discouragement to improvements.

This is simply a question between the Free Traders and the Protectionists, and it would be a waste of time now to enter into more detailed statements in support of the Free Trade views on the Sugar duties.

Unfortunately no Government has ever consulted the Sugar Trade on the subject. Governments have consulted only the official heads of the Custom House and have chosen to assume that, the refiners, instead of having interests directly opposed to those of the consumers, are the proper persons to be consulted, and that, *the* authorities on the subject are the Sugar Assessors at the Customs who live by the graduated scale, and Chancellors of the Exchequer are easily reconciled to a tax which returns between 5 and 6 millions a year without much complaint from the enlightened Public!

The cost of the present system must be enormous. Five millions of samples of Sugar have to be annually drawn and separately assessed. These samples are mixed for assessment at the caprice of the officers. The number of samples *assessed* for duty in 1869 was 1,261,212, out of nearly 5,000,000 samples drawn. It must be evident to every one that such a system admits any amount of fraud.

This will give some idea of the costliness of the operations to assess the duties only. The facilities for fraud are endless, and from the varying quality of the Sugar in a package and the absence of any supervision the frauds are impossible of detection. Some *Pieces-makers* make gigantic fortunes,—others make nothing, and we have the strange fact that, half the London Refiners have been ruined during the last few years, while the Clyde *Pieces-makers* have made great fortunes.

This is accounted for by the assertion that, till lately, Sugars were very generally assessed at the Clyde at a degree of the scale *under* what the same Sugars paid in London,—this being a bounty to the Clyde Refiners of double the usual trade profit. It may be impossible to prove this fact, though it is well known in the Trade.

But, what a system, to be open to this abuse ! And what must be thought of it by those who know that this abuse is extensively practised, but that to prove it is impossible !

It is only necessary to repeat that, the controversy is one of Protection *versus* Free Trade ; the Protectionists represented by the British Refiners and the West Indians ; the Free Traders by the real Sugar Trade, the East India and Mauritius Planters, and by all the consumers who have taken the trouble to understand the subject.

With regard to the abolition of the Sugar duties, it is impossible to foresee the result ; but it is not improbable that, it would double the Sugar consumption within five years. Even then, our consumption would not nearly equal that of the Australian Shepherd whose ration allowance is 2 lbs. of Sugar per week. A greater consumption of sugar means a greater consumption of Tea, Coffee, Cocoa, Flour Dry, and Green Fruit,—and, in short, an immeasurable increase in the comforts of all classes, but especially of the poor. It is known to those practically concerned in the trade that, a rise of one halfpenny per lb. in the retail price deprives vast classes of the population of sugar, and that, the drop of a half-penny makes a wonderful increase in the consumption. But without duties fine moist sugar would drop from 5*d.* or 5½*d.* per lb. to 2*d.* and perhaps 1½*d.* A double consumption of Sugar, beyond the increased comfort of the people, involves double the present freights and ships engaged in the trade ; double dock

accommodation; double the present wholesale distributors or a reduction of their profits to one-half;—it also means double Railway carriage; increased retail premises, and more increase of prosperity to trade in general, and of the comforts and enjoyments of life than space can here be found for the enumeration.

At present the use of Sugar in brewing is almost prohibited by the endless, vexatious, and ridiculous regulations intended to protect the Malt duty and the Home Barley growers. The use of Molasses is altogether prohibited, for no possible reason that the Trade can understand, as it seems senseless to admit Sugar and to refuse the weaker Molasses. In addition to countless restrictions and annoyances, a Brewer has to pay 7*s.* 6*d.* per cwt. (or over $\frac{3}{4}$ *d.* per lb.) *more* for his sugar than any one else. But, notwithstanding this, considerable quantities of Sugar are used in Brewing, and excellent Beer is made from Sugar only. The Excise fixes a kind of stigma on the use of Sugar in brewing, and when used by Brewers they have a false shame in confessing to its use.

But the quantity of Sugar used in Brewing in the United Kingdom, in the year, ended 31st March, 1870, was as follows:—

Year ended 31st March.	Quantity charged with Duty.			
	England.	Scotland.	Ireland.	United Kingdom.
1870	lbs. 30,191,392	lbs. 606,032	lbs. 2,339,456	lbs. 33,136,880

Here the difference between Scotland and Ireland is remarkable.

There is no Bass or Guinness in Scotland, and no Brewery Beer fit to drink in Scotland. Whiskey Toddy has driven good Beer out of Scotland.

If the Sugar duties, either for common consumption

or brewing were abolished, it is no exaggeration to say that, hundreds of thousands of tons might be annually used for the purpose of making cheap beer. Distilling from Sugar is nominally free, but Refiners' treacle, admirably suited for the purpose, is at present refused a Drawback on delivery to Distillers. This stops its use, and greatly decreases its value, and increases the cost of Refined Sugar to the Public. The abolition of the Sugar duties would set this right.

Sugar and Molasses have been increasingly used for feeding Cattle of late years, and the great obstacle to a greatly extended use of both is the duty. The manufacture of jams, preserves, and sweetmeats is capable of indefinite expansion if the duties were abolished. Sugar is used among other things in blacking making, and if the trade were free, it would, no doubt, find a constantly enlarging market for use in manufacture. Beet Sugar cultivation has transformed those parts of France where this new industry has been set up. The yield of Corn has doubled, the number of Cattle has multiplied by ten; factories employing numbers of hands have sprung up throughout the country; work for horses carts and laborers is given in winter, the agricultural dead season; 300,000 tons of Sugar, worth £7,500,000, are produced from 1,400,000 tons of Root, worth £1,400,000. The refuse pulp is returned to the farmer for Cattle-feeding, and gets back to the Beet fields in manure: the mineral constituents are thus returned to the soil, and as Sugar is drawn from the atmosphere, Beet or Cane can be grown on the same fields *ad infinitum*, without exhaustion of the soil.

About twenty-two million acres out of the soil of Great Britain is in permanent pasture. Mr. Mechi estimates that, the Beet Sugar manufacture would raise its produce from £2 : 10 : 0 an acre to £16 per acre in addition to the advantages before mentioned. In fact,

farming would be rendered one of the most lucrative employments in the kingdom, and the value of land would rise in proportion. Beet Sugar can be grown over the whole of the kingdom, and the chief obstacle to the introduction of this invaluable crop is the duty on Sugar, on Malt, and on Spirit. It is *dear* Spirits which cause drunkenness. If every body could get drunk for a farthing or a half-penny, in a few years nobody would get drunk. (See Bates 'Amazon's,' on the use of a kind of Rum in Brazil).

When the People understand this question, they will no longer submit to any duty on Sugar. A low fixed duty might now deceive them into submission for a short time. But it will be better for them if even this small concession to common sense be withheld a little longer. In a few more years the Sugar Duties will be referred to as a marvellous instance of the ignorance of past Governments.

It is only a question of time. Nature must prevail over the weak and sinister artifices of narrow-minded men to restrain her marvellous bounty and loving-kindness to all mankind. Sugar, now unknown in this country for richness, sweetness, purity, and fine flavour, will then be sold for *less* than 2*d.* per pound, and so abundant will then be the supply that, farmers will fatten their cattle with better sugar than is now sold to the poor at a much higher price, and, moreover, will then manure their land with sugar, nothing inferior to much now brought to the English market for consumption.

It requires no great foresight to see that, the inexhaustible richness of the earth under a tropical sun was intended to fertilise and sweeten the comparatively sterile and sour soils in less favored climes, and he must have a bold imagination who can believe that, human selfishness and meanness will for ever thwart and counteract the bountiful designs of abundant Nature.

Who supposed twenty years ago that, he would live to see ship-loads of pine-apples sold in the streets of London for 2*d.* and 3*d.* apiece?

Would it be more wonderful if the purest and sweetest white sugar were sold in London at or under 2*d.* per pound? What is now known as Lump Sugar, would then be unknown or remembered only as a curiosity. The expressed juice of the Cane would then be imported into this country in the natural state, as perfectly pure crystalised white Sugar. To prove that this is the natural state of Sugar all that is required is, to expose the pure juice in shallow pans to the process of evaporating the water by the action of the tropical sun. This produces a pure white crystalised Sugar, without any of the filthy artificial processes of the Sugar Refiners, and all the loss and expense of their processes are unnecessary. Those nasty products, known in the Trade by the names of "Pieces" and "Bastards," now sold in vast quantities as Sugar, chiefly to the poor, but quite unfit for *human* consumption, would be known and sold only for fattening Cattle or for Manure. These are the *remains* to the Refiner, after he has made his Lump Sugar, and can be better distinguished by the nose than by the eye,—the Pieces being the least and the Bastards the most nasty; the former having lost their virtue, and the latter having the smallest possible quantity of goodness remaining.

It appears, from all the evidence given by the Trade that, these corrupt *remains* are brought up by the present scale of differential duties, and that, if there were no duties, or if there were a *fixed* very low duty only, there would be no consumers of this offal.

There could be no *bastards* if there were no *pieces*.

Pieces have, of late years, been made from Raw Sugar, without first extracting Loaf Sugar, and *pieces* so manufactured are somewhat less offensive than when made

from the refiners' refuse; but this is all that can be said in their favor, if this be anything in their favor.

To the uninitiated in the mysteries of sugar-making and refining, this evidence must seem to be founded on plain common sense.

The pure raw sugars being prohibited by high duties from entering into our market, the Refiners are compelled to use the articles of low and impure quality, which the differential duties alone permit to enter, and they would not manufacture these into Sugar if they could work with better materials.

But, as before said, if there were no duty there would be no need for any refining; as the finest pure crystalised white sugar would come direct to our market from the first producer, who would also be the manufacturer.

Can anything exceed the human folly of the artificial system which prevents this simple process of Nature from coming into operation?

It is impossible to imagine what can be said for persistence in folly such as this!

There is the insane folly of ignorance, and there is the wilful folly of wickedness.

In this case it cannot be of the first, and no one likes to say it is of the last. But, either way, it is inexcusable.

This is a subject thoroughly understood in all its bearings by the London wholesale dealers, men of great intelligence as well as great wealth. For many years past, they have spared no pains in bringing before Government by Memorials and Deputations, and before Parliament by Petitions, the whole question of the Sugar Duties,—showing the monstrous evils and the glaring inconsistencies. But still all these continue! The People, who are the sufferers, do not trouble themselves and, therefore, their Representatives in Parliament do not trouble themselves. Amongst them all, probably,

there are very few who know anything about the Sugar Duties.

Here, in a comparatively few pages, is a summary of all the numerous Memorials, Petitions and Pamphlets against the Sugar Duties, and the Public for their satisfaction are informed that, the proof sheets of these pages on the subject have been submitted to thoroughly practical people largely concerned in the trade, and that every statement here made on the Sugar duties has been, not only confirmed by them but, strengthened by many forcible additions made by them from their own practical knowledge and experience in the trade.

The subject, however, is so vast, so involved and so obscure that, few, even of those practically engaged in the Trade, are fully aware of the fearful losses imposed upon them by the Sugar Duties. Many are afraid of quarrelling with the Refiners, who give them credit, and the majority of Traders are too much ingrossed in the affairs of the moment to take a broad view of questions of financial policy, or to collect the statistics and facts necessary for a thorough understanding the Sugar Trade under the intricate complications of these Duties. Many established Traders have also an underlying fear of the Free Trade, which the abolition of the Sugar Duties would bring about, their fear being of increased competition from the abolition of these duties.

For all these and other reasons doubts and differences of opinion exist among the Traders; but it is no exaggeration to say that, throughout the kingdom there is not a wholesale or retail Grocer who does not believe that, there is something very wrong about the Sugar Duties, and who would not be thankful to see them abolished.

This is a subject of the deepest importance to the welfare of the People, especially of the poorer classes, Sugar being one of the principal necessities of life, and, as well known to Mothers and Medical men, essential

for the healthy nurture of children in the early years of infancy.

The People ought to unite in demanding the abolition of the Sugar Duties, and to withhold their confidence from any Government that refuses to comply with this appeal to common sense, common prudence, and common justice.

If it be asked how the loss to the revenue of these five or six millions is to be made up, the answer is given in these pages.

THE SUGAR DRAWBACK CONVENTION.

One of the most remarkable chapters in the recent history of Customs' Duties is the Sugar Drawback Convention, by which our Customs' sought to extend the blessings of its graduated scale to France, Belgium, and Holland: not content with ruling the Home Trade with a rod of iron, the Customs have now international aims, and seek to direct the affairs of the chief mercantile countries of the continent. The false pretext for interference with other nations in this case was that, when the Sugar duties were reduced in 1863, the protection to the British Refiner was then materially diminished. The British Refiner is a great favorite in Thames Street, and it is through his powerful influence that the graduated scale of duties is kept up, at an enormous extra cost of collection, pleasant enough to those who have the handling of more than £100,000 a year thereby, though at an indirect cost which may be said, broadly, to treble the cost of Sugar to the consumer. It suits the Refiner to be protected, and the Customs to protect him, and when he complained of the diminished *bonus* given to him by the State, the Customs flew to his aid. It is true, the Refiner really suffered, but that was in consequence of his ignorance of his business, which,

being protected, did not move with the times. But a British Manufacturer never knows when he is beaten, and in this case he invented the idea, in which there was a small grain of truth, that, his defeat was owing to export Bounties given by foreign Governments to their Refiners.

Suppose the Refiners' own account to be correct, what could it amount to but simply this,—that, the French, Belgians, and Dutch, chose, at the expence of their own treasuries, to supply us with cheap Loaf Sugar?

To this the English consumer could have no objection. But our Customs had the greatest possible objection, for, with the fall of the British Refiners, the Sugar Trade would be free,—the graduated duties would have no defenders,—and the Customs would lose their most powerful preserve for jobbery. The Sugar Assessment Department faced the difficulty boldly, and essayed to establish an uniform system of charging duties and allowing drawbacks on Sugar in England, France, Belgium, and Holland. To carry this into effect, the Drawback Convention between the Four Powers was signed at Paris in November, 1864, and since that time there have been negociations, conferences and deliberations on the subject, the dismal details of which fill an unusually large Blue Book and cannot, therefore, be repeated in this.

The supposed principles underlying the Drawback Convention,—and our graduated scale of duties,—are that, the color of a sample of Raw Sugar shows the quantity of crystalised Loaf Sugar capable of being extracted by the process of refining; and that, there is an absolute loss of weight, in the re-manufacture of the quantity, which cannot be converted into Loaf Sugar. Both these principles are utterly and entirely erroneous, and are well known to be so by every person of practical experience.

But, notwithstanding this, France, Belgium, and Holland, were cajoled into accepting our plan, being fascinated by the reputation of Mr. Gladstone on the Continent, for a thorough knowledge of financial questions.

Eminent Refiners asserted before the Sugar Duties Committee, in 1862, that, the weight of sugar lost in refining was, 4 to 6 lbs. per cwt.—say 5 per cent.

The Four Governments, disregarding these statements, adopted the following scale, divided by “the Dutch numbers,” or recognised commercial scales of colors:—

100 lbs. 4th Class Raw Sugar, yields, on refining,
67 lbs. of Loaf Sugar:—

		supposed loss:—33 per cent.
3rd Class	„ 80 lbs. of Loaf Sugar,	
		supposed loss:—20 per cent.
2nd Class	„ 88 lbs. of Loaf Sugar,	
		supposed loss:—12 per cent.
1st Class	„ 94 lbs. of Loaf Sugar,	
		supposed loss:—6 per cent.

Thus, to compensate the Refiner, or to protect him against his loss, it was agreed that, although the average loss of weight on refining from raw sugar did not exceed 5 per cent., he should have a protection of 50 per cent. in the margin between the duty charged on the darkest raw sugar and white refined sugar. It was also agreed that, if the refiner wished to export sugar he should have a drawback based on the same principle.

Thus, our British Refiners, working from 4th class sugar which pays the 4th duty, receive on export a drawback of 6s. per cwt., or a bounty of 45 per cent. above the duty paid, deducting 5 per cent. for loss of weight in manufacture.

As it was agreed that, all the other Powers were to give the same bounties, it seemed as if a Refiners' International Protective League had been established.

If the Convention had been carried out as its inventors intended it to be, the strange result would have been—each country working for the supply of its neighbors consumers; for, if the bounties on export were as heavy as here shown to be, it would have paid the English Refiners to work for the supply of the French consumers, while the French Refiners were supplying the English consumers;—and so on.

But, one thing was forgotten, and that prevented the happy result.

It was not sufficient to have duties and drawbacks bearing the same proportions to the duty charged on the lowest sugar,—as long as the duties and drawbacks in the four kingdoms, on the lowest sugar, were not identical. No provision was made for this, and the four countries fixed the amount of their duties as they thought fit.

Thus, the difference between 6*s.* per cwt. the highest, and 4*s.* per cwt. the lowest English duty, is 2*s.* per cwt., or 50 per cent. on the lowest duty. The per centage of difference between the highest and lowest Dutch duty is also 50 per cent.; but as the Dutch scale ranges from 12*s.* per cwt. to 18*s.* per cwt., the Dutch Refiners get a bounty of 6*s.* per cwt. from their Government, while English Refiners get only 2*s.* per cwt. from their Government. Thus, the Dutch Refiners get a bounty of 4*s.* per cwt. over and above what the British Refiners get, and as the ordinary trade profit is only 6*d.* per cwt., the British Refiners are beaten off the field, and find their own market inundated with Dutch Loaves.

The result has been most curious. The price of Loaf Sugar has gradually fallen, while the price of Raw Sugar has risen. The British Refiner, having only 2*s.* per cwt. margin in the bounty, cannot contend with the Dutchman, who has 6*s.*,—and the extraordinary fact is discovered of Raw Sugar becoming nearly as dear as

Loaf Sugar;—the foreign refiner making his profit out of the Government subsidy.

Our refiners, being handicapped in the race, struggle in vain against their fate. Every detail of the Convention was submitted to them for their approval before it was signed; but the opinion of the Sugar Trade was never asked at all.

The number of Loaf Sugar Refiners in London, in 1863, was 23;—the number at the present moment is 7.

Though seven years have elapsed since the Convention was signed, the treaty has never been carried out by France.

Our pretended Free Trade Government has been, during the last few months, actively engaged in pressing the French to carry out their engagements.

The French Government, against the unanimous protests of the French Home (Beet) Sugar maker, and Colonial (Cane) Sugar makers, is at last preparing to carry out the Convention. Owing to the necessities of the French Treasury, the lowest duty is fixed at 20s. per cwt., and the highest, at the agreed difference of 50 per cent., is 30s. per cwt. The French Refiner will thus enjoy a bounty on export at the rate of 10s. per cwt., while the English Refiner gets only 2s. per cwt., so that the British Loaf Sugar trade must inevitably be ruined.

Thus, our Free Trade Government has forced France to adopt our intricate protective system, the result of which action on our part must destroy an important British industry at an expense to the French Treasury of about £1,000,000, sterling, per annum!

Apart from the strange approach to equalisation between the market price of Raw and Refined Sugar, our Colonies have been seriously injured by the course pursued, which has doubled the Continental Beet Sugar crop, and caused the Colonial production to remain

almost stationary. It must be sufficient here to state this fact without entering into details.

The French and other Continental Refiners do not make *pieces*, and the bounty given on their export by the Convention is thus useless to them. But it is of great use to our *Pieces*-makers, who are gradually developing a large artificial export trade at the cost of the country.

In fact, when once trade is interfered with, the consequences become almost too numerous to trace, and the present condition of the Sugar market is utterly incomprehensible to those who have not followed the Sugar Duty question since 1862, when Mr. Gladstone and his Committee so fatally meddled with matters they did not understand, continuing and extending the so-called *ad valorem* duties, now so universally denounced; for, however well the rates of duty may be accommodated to the value of the Sugar, the differences in market price must, of course, be considered.

It is now known that, the Committee of the French National Assembly has made up its mind to protest against the principle of the Convention and of graduated duties, as strongly as the French Raw Sugar Makers have done.

That protest is too long to be here transcribed, but nothing could be more striking or more true than that declaration of the Central Committee of Sugar Makers, and it is not surprising that, the Committee of the Mutual Assembly should have been convinced by such an irresistible summary of the evil of the present system.

Here, then, are the French Sugar Makers, the French National Assembly, and the British Refiners, all agreeing that, the execution of the Convention of France would be most disastrous. Why, then, should an arrangement, to which every one concerned is opposed, be

carried into effect? It is almost inconceivable that, our own Free Trade Government, and that vehement Free-Trader, the present Chancellor of the Exchequer, should be the secret instigators of this false and treacherous policy. He is so ardent in favor of entire commercial liberty that, he objects in the strongest terms to any treaty of commerce. He is of opinion that, all such arrangements are injurious, as making concessions a matter of bargain, which ought to be made as a matter of principle. He professes to be one of those pure and simple free-traders who would as soon barter away matters of conscience, as barter away commercial liberty.

Yet, wonderful, this same man, in concert with the British Cabinet, has been engaged, since June last, (1871) in forcing upon France the performance of her part in this vicious Convention!

But after the constant assurances which have been made by the Prime Minister of the permanence of the duties in their present form, there is now a reasonable ground for hope that, the Sugar Duties will soon be removed. The very complications in which he has involved this question, and which he and his Cabinet are quite unable to follow, must very soon bring about this happy conclusion to his and their unutterable relief.

A more curious Comedy of Errors has rarely been seen, than that played out since 1864 by our Customs, in the desire to become International, and to form a Sugar Zollverein.

These facts show that, the differential Sugar duties are contrary to the principle of Free Trade; that they form a protection to old-established interests by holding out a bonus to inferior products in the British market, to the great hindrance of progress and serious injury to trade.

It is impossible to suppose, if these facts and con-

sequences were more generally known and understood, that a British Government would be permitted to continue this system so fraudulent and so injurious in its operation.

In an admirable pamphlet, of a very few pages,—“On the Influence of the Differential Duties upon the progress of Modern Improvements in Sugar Manufacture,” by Mr. Ferdinand Kohn, the exasperating absurdity of this system is summed up in a few words, which it is impossible to read without the strongest feeling of indignation against the Government:—“For passing the Custom-Houses of the United-Kingdom with the greatest commercial advantage, the natural clean crystal of Cane Sugar must be altered artificially by a process of contamination, which may be applied to it either before or after crystallisation in any one of the different stages of the process of Sugar extraction. If the spoiling process take place before crystallisation, it is done by the destruction of a relatively very large proportion of the Sugar originally extracted from the cane, and it is considered “*honest*” by the Custom House. If, on the other hand, the process of artificial colouring be effected after crystallising the white Raw Sugar, the effect can be produced at a very trifling expense, and with a comparatively small waste of Sugar, and this method of producing brown raw Sugar would, undoubtedly, be termed “*dishonest*” by the authorities of the British Custom-House.” (Page 5.)

“It will be clear that, dark brown Sugars are produced “*honestly*” on the condition only that, their equal weight of Cane Sugar has been turned into molasses in the process of manufacture. The bonus is then used for compensating for actual waste: it benefits nobody, and its value is completely destroyed in the course of this transaction.” (Page 9.)

“It can hardly be taken as an indication of a healthy

and natural state of an industry when manufacturers avoid the production of higher qualities, and purposely spoil the quality of their products for the purpose of competing in the British Market; and the question whether the principles of Free Trade have been and are violated by the differential duties on Sugar requires no other answer, beyond a description of the precise condition of, and of the present practice existing in, the different Sugar producing localities, which supply the British Market with raw Sugar. The general symptoms which, in the long run, characterise every protected industry, are not missing anywhere.

“West Indian Sugar cultivation has been steadily declining, and has actually become a losing trade within the last few years. India has been reduced to a Sugar importing country, while the imports of raw and refined beet-root Sugar into the United Kingdom are increasing at a marvellously rapid rate, and the exports of British refined Sugar, are far smaller than formerly in proportion to the general increase in the consumption of Sugar.” (Page 11.)

“Under this system a vast artificial manufacturing interest has been created in this country, in violation of the principles of Free Trade, and contrary to the laws of nature. The pieces-makers’ monopoly is always defended on the ground that, there is an actual loss of weight in re-manufacture on which the refiners ought not to pay duty. It has been before shown that, there is no necessity for this re-manufacture, and for the consequent waste, if any. What the maker does, is to separate Sugar into its component parts without altering them; and his protection consists in the fact that, Raw Sugar of similar quality to his pieces has to pay a higher duty by 40 per cent., than he has paid on a virtually equal quantity of saccharine matter in the Raw Sugar from which he works.”

“The higher rate of duty charged on Refined Sugar is defended on the ground that, our legislation recognises a difference between the raw and the manufactured article, charging the higher duty on the latter if there be a legitimate waste in its preparation.

“This principle might be applied to Sugar if the raw plants were introduced; but as pure white crystals equal to refines are made direct from the cane and beet juice, the intrinsic difference disappears, and it is impossible to make any just fiscal distinction between Raw and Refined Sugar.” (Page 13.)

“It will be seen that, the present system, by rendering it desirable to produce bad sugar instead of good, makes all progress in the Colonies extremely difficult. The scale of duties is the chief difficulty in the way of those who desire to introduce modern improvements into the Cane Sugar manufacture of the British Colonies. It forms a stumbling-block at every step, as the chief aim of the Sugar planters is to get their produce in, at as low a rate as possible, and it is thus difficult to persuade them of the desirability of progress. The result of such a wilful neglect of modern science may be seen in the condition of the British Colonies as contrasted with that of the Beet-root Sugar districts of the Continent, of which the yield has trebled during the last ten years. It is fast becoming a question whether it will be possible to continue an unequal strife in which one side eagerly accepts every scientific improvement, while the other stolidly rejects every suggestion of change, encouraged by the protection given by this country to the manufacture of bad Sugar.” (Page 14.)

These large extracts from Mr. Kohn's few pages are the best acknowledgment of his valuable service to the country.

Whilst these sheets were passing through the Press, the Author was favoured with a pamphlet by Mr. John

Benjamin Smith, M.P. for Stockport, dedicated to the Cobden Club and entitled—"Free Trade in Sugar." The title is a misnomer, as Mr. Smith does not here advocate free trade in sugar, but the substitution of one uniform rate of duty for the present classifications of duty. The pamphlet, however, in other respects, is so confirmatory of the view here taken that a few extracts from it will be here added.

Mr. Smith commences by remarking that,—“previously to 1845, there was only one rate of duty on Sugar. In that year Sir Robert Peel brought in a Bill to abolish the uniform rate, and to substitute *classified* rates of duty on different qualities. . . . The object of that measure was to protect the West India Planters;” and Mr. Smith shows how that measure has worked their ruin:—how India, the great and natural source of supply, has been reduced to a Sugar importing country.

Mr. Smith confirms the opinion,—hereinbefore expressed,—as some apology for our Finance Ministers that,—“having themselves no practical knowledge of the working of the classified Sugar duties, they have relied too much upon the intelligence and practical experience of the appointed guardians of the Customs’ Revenue, and depending solely upon the opinions and statements of the Board of Customs, as exhibited in their Annual Reports, they have been misled.” . . .

The Reports of the Board of Customs on the working of the Classified Sugar duties from time to time have been uniformly favourable, and their 13th Report, published in 1869,—“On the subject of the Classified Sugar Duties,—and the Arrangements entered into at the Conferences with Holland and Belgium,” represents them as “eminently satisfactory,”—while it appears from their own Returns, moved for by Mr. Smith, 28th March, 1871, that they have allowed the Revenue to be defrauded of millions of the public money, by the

system of classified Sugar duties, of the operation of which they appear, from their own Reports, to have been wholly unconscious.

“These Returns show that, the loss to the Revenue, by levying classified rates of Sugar duties, instead of an uniform rate of duty, in the years 1868 and 1869, on the supposition that, the present duties had then prevailed, is stated at £77,302 for 1868, and £145,885 for 1869. As, however, the rates of duty during those years were double what they are now, the real loss was, therefore, double, being for 1868 £154,604, and for 1869, £291,770 ; total £446,374. So that, the *pieces-makers* were allowed, by the *bounty* granted to them by *classified* duties, to rob the Exchequer in those two years of the enormous sum of £446,374, in addition to the costly expenditure of collecting the duties by this system ; the Board of Customs all the while reporting to the Treasury that, the *classified* duties were eminently satisfactory !”

“One is struck with astonishment that, it has been possible for a small body (numbering only about 100),—calling themselves *Sugar Refiners*, but more properly *Sugar Spoilers*, who are the creatures of a classified scale of duties, to have been permitted for so many years, for their own sole benefit, to deprive the People of this country of wholesome sugar, and to force, by prohibitive duties on good sugar and a bounty on their own re-made sugar, the almost exclusive use of sugar deprived by their process of its natural sweetness. Such rubbish do the *pieces-makers* turn out that, in some cases, it has to be scented and flavoured with vanilla, lemon-oil, and other substances before it can pass into consumption. At the best, *pieces* are simply decolourised brown sugar, more or less injured by the process to which it is subjected to effect the change.”

“It is clear that, classified Sugar duties have failed to accomplish one single object for which they were imposed, from first to last. The West India Planters, with the exception of such as have applied capital and science to the manufacture of sugar, are in a hopeless state of ruin. The sugar-refiners proper, the loaf-sugar makers, numbers of whom have been ruined notwithstanding the advantages they have enjoyed, are unable to compete with foreign rivals in foreign markets, and bid fair, if they continue to slumber on the protection of ‘Drawback Conventions’ instead of keeping pace with scientific improvements, to be driven out of the home market also, the Customs’ Returns showing that, while in 1870 there were only 28,271 tons of British Refined Sugar exported, 81,708 tons of Foreign Refined Sugar were imported into Great Britain and delivered for home consumption.”

“The results of the ‘Drawback Convention’ are not less striking, as falsifying the expectations of its English promoters. The imports of Refined Sugar from the Continent to Great Britain, in the seven years previous to the Convention, viz. from 1857 to 1863, were 99,633 tons, while the imports in the seven years after the Convention, viz. from 1864 to 1870, are 327,513 tons.”

Mr. Ferdinand Kohn well observes:—

“It can hardly be taken as an indication of a healthy and natural state of an industry, when manufacturers avoid the production of higher qualities and purposely spoil the quality of their products (as Sugar Planters do by purposely colouring their sugar to avoid the high rate of duty on white sugar), for the purpose of competing in the British market; and the question whether the principles of Free Trade have been and are violated by the differential duties upon sugar requires no other answer, beyond a description of the precise condition of,

and of the present practice existing in, the sugar-producing localities which supply the British market with raw sugar. The general symptoms which, in the long run, characterise every protected industry are not missing anywhere. West Indian Sugar cultivation has been steadily declining, and has actually become a losing trade within the last few years. India has been reduced to a sugar-importing country, while the imports of raw and refined beet-root sugar into the United Kingdom are increasing at a marvellously rapid rate, and the exports of British Refined Sugar are far smaller than formerly, in proportion to the general increase in the consumption of sugar."

"The reduction of the Sugar duties by one-half in 1870 struck a blow at the pieces-makers' monopoly, on the one hand by reducing the penalty imposed on the production of fine plantation Sugar, and on the other hand by diminishing the bounty given to the pieces-makers. Already the public are beginning to experience the benefits of the reduced duties, in the increase of the imports and consumption of natural sugar. It is almost incredible that, no sooner is white clayed sugar, which has been banished from consumption for 25 years, admitted at a duty of 1s. 8d. per cwt. above the lowest quality of brown sugar, than the consumption increased upwards of fourfold, namely, from 5,322 tons in 1869, to 22,000 tons in 1871."

"Of all 'entangling alliances,' none exhibit more folly than the attempt to administer and regulate by treaties between different nations classified rates of duties on commodities. We have seen, as regards the Sugar Duties, the difficulty of guarding against frauds even in our own country; how then can we control frauds on the part of foreign contracting parties?"

"The Drawback Treaty, like some other treaties, being opposed to the interests of some of the contract-

ing parties, has never been carried out. Although not a year passes without lengthy and expensive negotiations, France has for seven years (the treaty expires in three years more) ignored the treaty compelling her to adopt *classified* duties on imports of Sugar, to the great advantage of her Sugar Refiners, and to the great loss of the other contracting powers who have been faithful to their engagements. Happily there remains no just or reasonable pretence for continuing a treaty, which ought never to have been made, but from which all parties are now absolved by its violation on the part of France."

"No excuse, therefore, now remaining for the retention of classified Sugar duties, the question arises; What course ought to be pursued?

First, then, the "Drawback Convention" being void, no more foreign treaties for the regulation of duties on Sugar, or any other commodities, ought to be entered into. Second: Abolish the classified duties on sugar, and in their place simply admit all sugars and molasses at one uniform duty of 4s. 8d. per cwt., and allow a drawback of 4s. 8d. per cwt. on the export of all sugars and molasses which have paid duty."

Here Mr. Smith advocates one uniform duty, and here we part company, but in the following concluding remarks we entirely agree with him.

"The abandonment of classified duties, and the establishment of the same Free Trade in Sugar that exists in everything else, would give a new impetus to the best qualities of natural sugar by improved scientific processes, while this wholesome competition would enable consumers to obtain the best article at the cheapest rate it can be afforded, and would be the means of enormously increasing the consumption of a luxury, which has now become a necessity in every household from the highest to the lowest."

Mr. Smith, in conclusion, adds: "it is rumoured

that, the English Government is about to condone the breach of faith on the part of France, and to renew the Treaty !”

It is to be hoped that, if such an attempt be made, the British Nation will know how to meet such a wrong and insult to common sense.

The country is much indebted to Mr. Smith for his very able pamphlet, and no one can read these extracts from it without feeling sure that, he would much prefer *no duty to one uniform duty*, and that, he was scared from the proposal of *no duty* by the demon of the Exchequer.

So much for the Sugar Duties.

Now for Tea, Coffee, Chicory, and Cocoa, to complete the “Free Breakfast Table.”—

TEA, COFFEE, CHICORY, AND COCOA.

The total Gross Sums produced by the taxes on these Articles in the year ending 31st March, 1870, were as follows :—

		£.
Tea,	at 6 <i>d.</i> per lb.	2,645,052
Coffee :		
Raw.....	„ 3 <i>d.</i> „	351,665
Kiln-dried, roasted, or ground	„ 4 <i>d.</i> „	56
Chicory :	£. s. d.	
Raw or kiln-dried.....	„ 1 6 6 per cwt. ...	98,949
Ditto,		
Produce of the Chan- nel Islands	„ 1 4 3 „	1,263
Roasted or ground ...	4 <i>d.</i> per lb. ...	75
Cocoa.....	1 <i>d.</i> per lb. ...	27,416
— Husks and Shells ...	2 <i>s.</i> per cwt.....	1,088
— Paste or Chocolate...	2 <i>d.</i> per lb.....	2,140
		<u>£3,127,704</u>

By the surrender of these duties,—amounting to £3,127,704 a year, we might all have a “Free Breakfast Table,” *without* Sugar.

The following is the remark of Mr. Porter, in his work on "Public Revenue and Expenditure," page 476:—"It has always excited dissatisfaction on the part of the Public, to be called on for the payment of any Tax from which they have not the power to protect themselves, by abstaining from the use of the taxed commodity. It is this consideration which has always made our Finance Ministers prefer indirect to direct taxation, and which led, during the progress of a long and expensive war, to the imposition of duties that weighed with destructive force upon the springs of industry."

To make this text complete, the following should be added: 'All articles which constitute a large and necessary portion of the food of the community, or minister to the profitable employment of the People, are unfit objects of taxation in any way or degree.'

TEA.

Without any minute inquiry into the question, what is, or what is not, a necessary of life, it is sufficient to say that, the article *Tea*, is now become one of the necessities of life to a very large majority of the working population in this country, and that, the population of this country is increasing at the rate of about a thousand a day.

This tax was raised in 1811 to 96 per cent. as a War Tax, and now, owing to the great decrease in the price of bonded Tea, notwithstanding the reduction of the duty to 6*d.* a lb., this tax averages 40 per cent., after upwards of fifty years of peace.

The *average* cost of tea in bond may be stated to be, at present, about 1*s.* 3*d.* per pound.

The *lowest* price of the *lowest* tea now in the market is from 8*d.* to 10*d.* per pound, in bond. Of this kind but little goes into consumption *by itself*, and, when it does, it is sold at a low price, as a "*leading article*,"

that is, to attract custom for other more remunerative goods. As such, this tea is now selling retail at 1s. 6d. to 2s. per pound, and this is sold without much profit to the retailer, as the duty on the worst and the best tea is the same. But very large profit is made by those retailers who buy the bad to mix with the better and sell as the best.

The price paid for tea in bond, say, for the 3s. 8d. or 3s. 6d., varies according to the amount of profit which the retailer may decide upon securing to himself. This is, to some extent, effected by mixing together teas of various prices and qualities, the duties being the same on all, and no allowance being made on damaged Tea.

The following statement of costs and charges would apply, with as much accuracy as can be obtained, to first-class retailers, of whom there are a great number in London and in the large provincial towns, viz. :—

	s.	d.
Cost of mixed Teas per pound, in Bond.....	2	0
Wholesale Dealers' Charges to cover bad Debts, Interest or advance of Duty, and Profits	0	2
Duty.....	0	6
Retailers' Profit, and to cover bad Debts	1	0
	<hr/>	
Selling Price, per Pound	3	8
	<hr/>	

The smaller retailers, by whom, nevertheless, the greater portion of duty-paid tea is sold, obtain a larger profit to cover their risk of bad debts, but do not, in general, buy on such advantageous terms.

The wholesale dealers' profits of 2d. per pound are calculated to cover all his expenses, the risk of bad debts, and interest of money for his advance of the duty, and thus the duty, to the large wholesale dealers who can afford to advance it, becomes a profit. This fact, however, appears not to be generally admitted in the trade, but it is evident that the profits are calculated to cover this advance, whether admitted or not.

A Wholesale Dealer in the City of London, to whom this statement was sent, returned it with the following answer:—"It is not exactly a profit but a source of expense which prevents the Wholesale Dealer from selling as cheaply as he otherwise would. I have calculated that the duties cost us £2000 a year (what a Millionaire pays in Income Tax on £80,000 a year). If there were no duties, we should be relieved of this source of expense; but competition would not allow us to retain an extra profit of £2,000. The duties force us to obtain an extra profit on the articles we sell in order to pay the expense of the collection of the duties &c. Although this adds to the price of what we sell, it is not a *profit* to *us*, but simply recoups us for our expenditure."

It is difficult, or impossible, to name a per-centage rate of profit for the wholesale dealer, under different heads, to which the trade will agree. The wholesale dealer himself cannot state these precisely. But he must have so much to cover expenses,—so much for interest of monies, and for profits, and so much for the advance of the duty. He lumps all these together, and gets what he can; and this depends entirely on the nature of his business. Some, who turn their capital very quickly round and give very short credit, are content with much smaller per-centage than others who give longer credit. Different parts of the country differ in practice; moreover, a large portion of the tea sold, is sold in bond: and though the wholesale dealer takes the trouble of clearing the goods, most of the large retailers remit the cash to the wholesale dealer for this purpose, taking credit only on the short price. Practically, the retail grocer takes 14 days' credit on his duties.

The course of the retail trade may be stated as follows:—On a 3s. 6d. or 3s. 8d. tea the retail dealer

gets 1*s.* per pound profit. On lower price teas he gets less. Of this cost 6*d.* is for duty advanced to Government by the dealer, at a great cost and risk. If there were no duty, this tea, instead of costing the retail dealer 2*s.* 8*d.* would cost him only 2*s.* 2*d.* And then, if the dealer charged a profit of 6*d.* per lb. instead of 1*s.*, he would do almost as well for himself as he does now, considering the saving in the advance of the duty and the risk. Thus, the reduction of 6*d.* duty would make a deduction of 1*s.* to the consumer, who would thus pay 2*s.* 8*d.* for what he now pays 3*s.* 8*d.*

Taking the quantity of Tea (paying Import Duty in 1870) Retained for Home Consumption in the United Kingdom, at 117,622,575 lbs., this would save the country the use of £5,881,128 : 15 : 0 yearly.

These may be taken, as they are admitted by the Trade to be, in effect, fair statements of the course of the Tea Trade, and of the legitimate profits of the respectable wholesale and retail dealers.

The practice of mixing teas of inferior quality and lower price, with better qualities and higher price, appears to be universal in the trade, and is represented to be for the benefit of the public, by the improvement of the quality of the tea for the price paid. But, under any circumstances, selling tea of a lower quality at the price of a higher quality, is fraudulent, and this is one of the consequences of the duty.

To this imputation the answer of the honorable and intelligent wholesale dealer in the City of London, before referred to, ought to be generally known, and is given in his own words, as follows :—“The true defence of this undesirable practice is that, the Public absolutely refuses to buy Tea with any distinctive flavor. The grocer, besides, cannot keep up one quality of unmixed Tea, as an insufficient quantity of any one description reaches England. He cannot change one

flavor for another, as the public grumbles whenever he attempts to do so. He is, therefore, forced to maintain absolute neutrality in flavor. The public demands its Port, its Sherry, and its Champagne separate: but it refuses its Kaisow, its Moning, its Oolong, and its Assam, unless the distinctive character of each is destroyed. A Tea connoisseur, like a Wine connoisseur, delights in changing his Tea, in which the differences are quite as great as between Port and Champagne. But the Public will not let the grocer change the flavor of his Tea, as he would like to do, if he could. The grocer has thus to get pungency and strength from Indian Tea, body from a mixture of two kinds of Congou, and flavor from Oolong, or from scented Tea. You cannot call such a practice fraudulent. It is simply, compliance with a vitiated taste."

This seems to be a fair answer;—at least, it is the answer of a most honorable and intelligent Man, of great experience, and practically conversant with the Tea Trade.

With respect to the question,—how much the duty enhances the price to the consumer, he writes: "My idea is that, the duty of 6*d.* per lb. enhances the price to the public 9*d.* per lb. or 50 per cent. over the duty paid: and that, the £40,000,000 of Customs and Excise cost the public £60,000,000."

Of the dishonest dealer, who cheats his customers with a damaged, adulterated, or spurious article, it is unnecessary to say anything.

It is admitted by the trade that, the working classes and the poor are by far the best customers of the tea-dealer, and that their purchases are, generally, of the higher price tea. Thus, every poor laboring man, or washerwoman, or "distressed needlewoman" who spends 3*d.* in tea, pays about one-third in the shape of tax and its attendant consequences.

It is difficult to estimate very accurately those consequences, for no one can say exactly how much the duty enhances the price to the consumer, beyond the amount actually paid for duty. There is no concurrence of opinion in the trade on this question. But it may be safely assumed that, the repeal of the duty would have the effect of very greatly lowering the import price.

It cannot be stated positively as a fact known, but it is believed that, teas of the best qualities are brought down from the tea-growing districts in China, to Canton and other ports, and there sold for, from *1d.* to *2d.* per pound, at a good profit, even in the present barbarous manner of transporting it many hundreds of miles from the interior on men's backs, and that the supply, so brought down, would be sufficient to supply the markets of the world.

This is the cost of the raw leaves in the fields. Indian Tea, with the transit to Calcutta, costs *1s. 5d.* per lb. Good China Tea (without profits to a swarm of Middlemen caused by the folly of our Merchants in not learning the Chinese language and buying the raw leaves direct from the farmers), probably costs *7d.* to *8d.* per lb. including the export duty. The freight and charges are about *2d.* per lb.

This is the information carefully collected from the most experienced in the Trade, and is a flat contradiction of the former statement. It is, certainly, more correct to say that, the price would be *7d.* to *8d.* per lb. at Hongkong &c.

The export duty on Tea in China is understood to be about *1½d.* per pound.

What the Tea Trade will be when the import duty is removed, and the Tea is brought down by railway from the tea-growing districts to the shipping ports in China, who can say? All that can be said is that,—it will be so.

It is only a question of time, and the time will be short, when the people of this country are determined that,—it shall be so.

It seems as if Providence had mercifully pointed out the way by trade for Christianising, enlightening, and ameliorating the condition of mankind. We may, therefore, hope and believe that, those who work lawfully for this object, work with the Almighty will.

But, at present, we have to do with things as they are, and bad as they are, by excluding from suffering multitudes of human beings one of the precious gifts of Providence, evidently intended for the comfort of all, as shown by the inexhaustible abundance of the gift, all is not yet told. There is to be added to this tax, the cost of collecting it.

This, as already shown, is an impossible calculation, for to the cost of collection are to be added many other costs and losses, direct and indirect, some incalculable, but all falling upon the people, and most heavily upon those suffering under the complicated and oppressive system of Customs and Excise duties, with no other means of subsistence than their hard-earned wages of labor.

The rate of duty which, for many years prior to 1853, was 2s. 2½*d.* per pound, was reduced from 1st June, 1853, to 1s. 10*d.* per pound; and from 5th April, 1854, to 1s. 6*d.* per pound; and from 21st April, 1855, to 1s. 9*d.* per pound; and from 5th April, 1857, to 1s. 5*d.* per pound; and in 1863 to 1s. 1½*d.* per pound; in 1864 to 1s. per pound; in 1865 to 7½*d.* per pound; in 1866 to 6*d.* per pound, the present rate.

According to the Custom House Return, the quantity of Tea imported into the United Kingdom, in the year 1869-70, was, 141,020,767 lbs., of which we retained for Home consumption, 117,622,575 lbs., and exported to Europe and elsewhere 23,398,192 lbs. The quantity

retained for Home consumption allows $3\frac{3}{4}$ lbs. per head on the entire population of the United Kingdom. In some of our Colonies the consumption reaches to 15 lbs. per head, and in Australia to 20 lbs. per head per annum.

It is well known that, our trade with China is less beneficial to this country, in proportion to the value of our imports, than the trade carried on with many other countries, and that this arises from the inability of our merchants to find a corresponding market in China for our manufactured goods.

If our merchants were able to make their payments for Tea with manufactured goods, back freights would be lower, and the profits realised by the out-cargo would enable the merchant to part with his home-cargo, tea, at lower rates.

Previously to the rebellion in China, and to the late failure of the silk crops, the Chinese were receiving our manufactured goods in full payment for their products. But, from the official returns of exports and imports, this does not appear to be the case at present. For a considerable portion of their staple commodities, tea and silk, they now receive payment in silver. The reason of this change in the course of our trade with China can be found only in the great desire evinced by the Chinese, since their civil war, to get hold of bullion, combined with greater competition among our merchants to get hold of their silks, and this induces our merchants to accede more readily to the demands of the Chinese for silver. But these are, probably, only temporary causes, and when these are removed, there is every reason to expect that, our trade with China will again be carried on as formerly, by barter, or exchange of goods; the Chinese, for reasons best known to themselves, objecting to part with their precious metals; and that they will again be ready to barter, to any extent, their

staple commodities in exchange for our manufactured goods.

If, therefore, our consumption of Tea were raised only to 10 lbs. or 12 lbs. per head per annum, there would be every reason to expect that, our trade with China would then be increased four or five fold; and while our Manchester manufacturers were deriving the benefit of this improved market for their goods and giving profitable employment to many thousands of now unemployed hands, every poor laboring man and washerwoman and needlewoman in the kingdom might have a quarter of a pound of tea for what they are now paying for an ounce.

It is impossible to say, beforehand, what would be the effect of such a change on the Poor-Rates throughout the kingdom; but it is easy to see and quite safe to say that, a very material diminution of Poor-Rates must be the consequence of such a change, and that, the welfare of the people and the wealth of the nation must be thereby very greatly increased.

In short, it is quite evident that, our present trade with China furnishes no criterion for the trade as it would be under such a change, and that, the trade, so conducted, would open an inexhaustible market to British manufacturers.

All these statistical facts, relative to Tea, are taken from the Reports of the Commissioners of Customs, the Government Finance Accounts and other Official documents, and must, therefore, be received as substantially correct. Assuming these facts, it must be evident that, the indirect loss to the Country from the Sixpenny tax on Tea, through our trade with China alone, must be some millions of pounds sterling more every year than the whole amount of the revenue raised by this tax, and that this loss is in addition to the cruel deprivation to the People, by enhancing the price of Tea, and prohibit-

ing its use by a very large class of the working people, thereby driving them into the Gin shops and making them habitual drunkards, to raise the revenue by the tax on Spirits.

For this political crime the Government is answerable, and for the consequences the Government will some day be held accountable.

Some years ago, the writer was assured by the very intelligent head of the oldest and largest Wholesale House in the City of London, that, if the Custom House and all its duties were abolished, he was confident that, he could sell 4s. tea for 1s. and get a better profit out of it than he now gets; and that, if the Sugar Duties were abolished, he could sell the finest and purest crystalised Sugar, such as now rarely comes into the market, for three-half-pence per pound.

There may be danger in telling these facts to the People; but there is more danger now in keeping them in ignorance.

This is the fourth time, in the last fourteen years, that these facts have been brought before the Government and the Public in the several editions of the "People's Blue Book."

If these be not facts, why are they not contradicted? If facts,—what a disgrace to the Government!

COFFEE.

This tax was formerly 6*d.* per lb. on foreign Coffee, and 4*d.* per lb. on Colonial, but, by the alteration of duties in 1851, was reduced to 3*d.* per lb. on all Coffee; no abatement of duty to be made on account of damage.

Coffee, being an important article of food, affording a cheap, wholesome, and agreeable beverage for all classes, especially for the poor, ought not to be taxed. Most of the objections to the tax on Tea apply to the tax on

Coffee, and the great facilities for evading or reducing the duty by adulteration is another strong objection to it. The extensive robberies of Coffee, which are continually being committed in the bonded warehouses, is another objection. But the strongest of all is to be found in the civilising agency of Coffee in the competition against intoxicating liquors. How much more powerful would be the civilising agency if tea, coffee, and sugar were consumable at their natural prices,—the prices of free trade! The domestic comforts of the poor man's house, how they would be multiplied, but for that evil spirit,—the demon of the Exchequer!

The quantities of Coffee imported, according to the Customs' returns, in 1869, were 173,416,332 lbs.; in 1870, 179,841,747 lbs., showing an increase of 6,425,415—3·7 per cent., and the quantities taxed for Home consumption in 1870, were 28,137,301 lbs.

From this it appears that, of the whole quantity imported only one sixth and a quarter was retained for Home Consumption, which allows about $1\frac{1}{3}$ lb. per head per annum on the population of the United Kingdom.

When George the Third ascended the throne, the Coffee consumed in the United Kingdom did not amount to an ounce per head per annum on the whole population.

About ten years ago, the annual consumption of Coffee per head in other countries was estimated as follows:—

Prussia	$3\frac{1}{2}$ lbs.
Zolverein	$3\frac{1}{4}$ „
Denmark.....	$5\frac{1}{4}$ „
Belgium	9 „
America	8 „

The consumption of Coffee in the United States in 1870 was no less than 280,911,672 lbs. or, taking the population at 35,000,000 about 8 lbs. per head. As the

domestic tastes of the American people are almost identical with our own, and as they take hot beverages just as we do, it is evident that there must be some extraneous cause to make our home Coffee trade so small. Is not this cause to be sought for in our fiscal arrangements?

CHICORY.

The origin of the duty on this article, manufactured from *Taraxacum*, or Dandelion Root, or any other vegetable applicable to the uses of Chicory, or Coffee, was to prevent the use of it for the adulteration of Coffee, prohibiting the mixture being found to be useless.

It is now raised to the dignity of a place in the Custom House Books and in the Government Financial Account, next to Coffee, which is improved by the mixture in a very small quantity, and produces to the revenue something under £100,000 a year.

Here is another, but more innocent, absurdity, and this is all that need be said about it.

COCOA AND CHOCOLATE.

These wholesome and nutritious articles, peculiarly suited to the poor and working classes, are amongst the last that should be taxed for the purpose of revenue.

But for the tax of 1*d.* per pound, these might be supplied, to any required amount, at a price little more than the amount of the tax.

The quantity retained for Home Consumption, in 1868, was 5,115,766 lbs.;—in 1869, 5,701,880 lbs.; in 1870, 6,153,981 lbs., and the Gross Produce of this Tax, in 1870, Husks and Shells, and Paste, called Chocolate, all included, was £31,510, and no more!

FRUIT, DRIED.

	£
Currants	260,757
Figs, Plums, Prunes } 7s. per cwt....	39,054
Raisins	113,671
Gross Produce in 1870	<u>£413,482</u>

These are articles of wholesome food, and the tax operates as a prohibition to the consumption by a very large portion of the poor and working classes of this country.

The fiscal treatment of the Currant trade by the British Government is illustrative of the injustice and impolicy of our Customs' duties. It may or may not be a question, whether an article in universal demand shall be maintained at a fictitious price and above the means of the mass of the community by State exactions; but it is beyond question that, the duty levied on such an article ought to be reduced whenever, by such reduction, a better supply, at a lower price, may be attainable in the conjoint interest of the British consumer and of the national exchequer.

This view of the question will be fully borne out by a candid review of the Currant trade, under the varying tariffs of the last sixty years.

The world derives its supplies of dried Currants from the Morea, the islands of Zante and Cephalonia, the former being a peninsula at the southern extremity of the kingdom of Greece, and the two latter being formerly under the government of the Ionian Islands, then Anglo-Colonial, and now forming part of the kingdom of Greece. About three-fifths of the total supply is the growth of the Morea, the remaining two-fifths being the produce of the Islands.

The quantity exported from the Currant-producing

countries in 1856 was 27,000 tons, of which 21,707 tons were shipped to the United Kingdom.

The quantity now exported is about 50,000 Tons. The present crop, it is said, will, certainly, exceed 75,000 Tons! Our consumption in 1871 was over 43,000 Tons. The poor public, that is, the working classes, can buy Currants freely only at 3*d.* per lb. The price is rarely got down so low as this, owing to the duty of three farthings per lb. If this duty were removed, there would be a fabulous increase in the consumption of Currants in this country, and still more in Raisins, the sources of supply for Raisins being infinitely larger than for Currants.

This country might then be considered the Currant market of the world :—

1. Because it was the general entrepôt whence other countries drew their supplies :

2. Because the consumption of the article by our population far surpassed that of any other people, exceeding, on an average of years, the consumption of all other nations.

In 1813 (from 1809) the duty upon Currants being £37:6:8 per ton, was raised to £44:6:8 per ton; reduced in 1834 to £22:3:4; in 1844 to £15:15:0 and now to 7*s.* per cwt. or £7. per ton.

The following were the effects of these reductions :—

Periods.	Duty— per Ton.	Average Annual	
		Consump- tion.	Price per Ton.
	£. s. d.	Tons.	£.
For the 20 years from 1814 to 1833 inclus.	44 6 8	5,593	97
„ 10 years „ 1834 to 1843 „	22 3 4	9,296	67
„ 13 years „ 1844 to 1856 „	15 15 0	14,912	50

The consumption between the former periods increased 60 per cent., and the price fell 30 per cent.

The consumption between the latter periods increased 60 per cent., and the price fell 25 per cent.

The following are the Pecuniary Results of the Lower Duty from 1844 to 1856,—inclusive, and these deserve particular attention.

	Annual Average.	Aggregate.
Gain to the Exchequer in the 13 years	£. 43,393	£. 564,109
Saving to the British Consumer in reduction of Duty; viz. 14,912 Tons annually at £6 : 8 : 4	95,685	1,243,907
Saving to the British Consumer in reduction of Price beyond the reduction of Duty: viz. 14,912 Tons annually at £17	253,540	3,295,552
Total £	392,618	5,103,568

More conclusive evidence, than this, of the sound policy of low tariffs could scarcely be adduced in the whole range of Customs' duties, especially as the average of the existing tariff had been most prejudicially affected by a blight of four years' duration, reducing the consumption by two-thirds for that period, and trebling the price of the article.

In the year preceding that visitation (1851), the import (36,055 tons) and the consumption (22,738 tons), were the largest ever known; its produce far exceeding the aggregate yield of the three years, 1853, 1854, 1855.

Now, it is a remarkable fact that, notwithstanding so serious an interruption of the trade for four consecutive years, and the concurrent diminution of supply, and of the proceeds of the duty for the entire period of thirteen years from the last reduction (1844–1856), the returns of the Exchequer exceeded the average returns of the preceding ten years (1834–1843), under the higher duty, by 21 per cent.

	£.
The consumption under the duty of £15 : 15 : 0 produced an annual average revenue for the whole term, including the four years of blight, of	249,579
The consumption under the duty of £22 : 3 : 4, for the whole period of ten years, yielded an average revenue of only	206,186
Giving an Annual increased revenue for the lower duty of	<u>£43,393</u>

In the ability of every family in the United Kingdom to consume 1 lb. weekly of this wholesome article of domestic use, we have a ten-fold power of consumption, and the capacity of the Currant fields of the Mediterranean to increase their supply is equal to any demand. A few years ago, the cultivators of the Morea increased their Currant plantations by upwards of 7,000 acres. But it is now by no means certain that the increased production will be sent to the British market.

Hence, it will be clearly to our fiscal regulations and excess of price that, a short supply will be attributable; for with good Currants, at a low price, the present demand would be speedily quadrupled, and that again would be soon doubled. But for fiscal intervention, the notorious popularity of this fruit, and its well-known palatable and wholesome qualities, would secure for it a universal consumption.

How, otherwise, is it to be explained that, the population of the United Kingdom,—man, woman, and child,—consume more per head of the tobacco weed, than of this nutritious and agreeable fruit?

The quantity of Currants imported into the United Kingdom in 1870 was, 920,923 cwts. or 46,046 tons, 3 cwt., and the quantity retained for Home Consumption was, 773,773 cwts. or 38,686 tons, 13 cwt.

The foregoing remarks on the injustice and impolicy

of these duties apply to the duties on Figs, Plums and Prunes, and Raisins, all of which, but for the duty, would be a wholesome and agreeable addition to the daily food of the People, at such low prices as to make these luxuries accessible to the poorest classes, instead of being, as they now are, confined to the better-off classes.

The quantity of Raisins imported into the United Kingdom in 1870 was 365,418 cwts., and the quantity retained for Home Consumption was 335,592 cwts.

WOOD AND TIMBER.

It was agreed by the Treaty of Commerce between this Country and Austria, signed in Vienna, December, 1865, that, Parliament should be recommended to abolish the import duties on Wood and Timber, and they were abolished accordingly the next year;—from 26th March, 1866.

The removal of this very obnoxious and foolish tax is here noticed because it seems to be not generally known out of the Trade.

EXCISE LICENCES.

The following is a List of the Articles in the Bundle of Absurdities, called Excise Licences, in the year ended 31st March, 1870.

	Amount of Duty charged. £.
Auctioneers, Appraisers, House Agents	62,932
Brewers	364,836
Dealers in Beer	21,530
„ „ Additional Licences to retail	10,251
„ „ Spirits	65,793
„ „ Additional Licences to retail	10,251
„ „ Wine	41,538
Carried forward	577,131

	Amount of Duty charged. £.
Brought forward	577,131
Retailers of Beer (Publicans) [and Sinners]	193,883
„ Spirits	632,378
„ Wine	99,866
„ Beer and Cider (not Publicans)	151,527
„ Wine (to be consumed off the premises)	11,676
„ Beer etc. on board Packet Boats	413
„ Spirits (Grocers) Ireland	5,166
Distillers and Rectifiers	3,276
Dog	285,182
Establishment, viz:	
Male Servants	200,753
Carriages, with 4 wheels, weighing 4 cwt.	277,895
„ with less than 4 wheels, and less than	187,493
Horses and Mules	391,076
Horse Dealers	12,613
Armorial Bearings, painted on Carriage	42,389
„ otherwise worn or used	38,538
Game, to kill	165,286
„ to deal in	4,722
Hackney Carriages (London)	2,614
Hawkers and Pedlars	52,323
Maltsters	15,549
Malt Roasters and Dealers in Roasted Malt	540
Methylated Spirits, Makers	95
„ Retailers	678
Paper Makers	1,651
Patent Medicines (Vendors)	6,879
Pawnbrokers	33,848
Plate, to sell 2 oz. of Gold, or 30 oz. of Silver, and upwards	13,455
„ less than the above	17,310
Playing Cards (Makers)	16
„ (Sellers)	1,145
Postmasters	102,485
Refreshment Houses	5,478
Selling Wine	12,245
Soap Makers	1,289
Stage Carriages	73
Still, Makers of	9
„ Chemists etc. using	438
Sweets, Makers and Dealers	641
„ Retailers	11,254
Carried forward	3,561,278

	Amount of Duty charged. £.
Brought forward	3,561,278
Tea Dealers	19
„ (in houses rated at less than £8 per annum)	2
Tobacco Manufacturers	7,392
„ Dealers	74,381
Vinegar Makers	325
	<hr/>
	3,643,397
Licences for fractional parts of a year, surcharges, and occasional licences	90,435
	<hr/>
Total	£,3733,832

All these taxes may be taken collectively, as arbitrary, inconsistent, and vexatious; many of them preventing the healthy enjoyment of the People, and all being unnecessary and impolitic obstructions to the trade and industry of the country,—unworthy of the Statesman entrusted with the direction of the affairs of this greatest commercial country in the world.

Now, to point out the absurdity of the law which imposed these taxes, a few instances will be selected from this long list. The first in alphabetical order will serve as well as any other.

Armorial Bearings, painted on or affixed to a carriage, £2:2:0; otherwise worn or used, £1:1:0. According to the letter of the law, any person affixing Armorial Bearings (whether his own or not) on his own dung cart, must pay £2:2:0 a year for this privilege, or a penalty of £20, in addition to the tax. While this was being written, in the first week of January, 1872, the following case of Excise prosecution was reported in the London Newspapers. It appeared that, a Mr. Jarvis, a perfumer at Walthamstow, having occasion to write to a Surveyor of Taxes, disputing his assessment, discovered that he was out of envelopes, and went over to the office of a Solicitor opposite and borrowed two. He

addressed the envelopes without observing the crest upon them. A clerk in the employ of the Solicitor was called to prove that, he gave the defendant the two envelopes, with his employer's crest upon them, and that his employer had a licence to use the same. The envelopes had been handed over by the person who received them to the Solicitor to the Inland Revenue, and thereupon these proceedings were commenced. The bench of Magistrates at the Ilford petty sessions held that, they were bound to convict, but decided to inflict the lowest penalty in their power, a fine of £5.

It is difficult to believe that, this can constitute a "using" of armorial bearings within the meaning of the Act of Parliament, more especially when the terms in which this duty is composed are compared with the other provisions in the same section. That section enacts that, "every person who shall employ any male servant, or keep any carriage horse or mule, or wear or use any armorial bearings," etc. without licence shall be liable to the penalty therein specified. If these other provisions are to be as literally interpreted, a person who has incurred one fine by using his friend's crested note paper may incur another fine by sending out his friend's footman to post the letter.

If these cases of Excise Prosecutions were of more frequent occurrence the remedy would very soon be provided. The Excise Solicitor must know that, these cases of unintentional breaches of the law are daily very numerous, but he wisely exercises a prudent diffidence in bringing them before the Public.

Next in Alphabetical order come Brewers, already heavily taxed in the prime article, Malt, and taxed, on a sliding scale, according to the quantity and quality of the beer brewed, for liberty to brew at all!

Retail Brewers pay for their Licence to Brew £5 : 10 : 3 yearly, under Act 5. Geo. IV. c. 54, of blessed memory!

Retailers of Beer, not Brewers, but Publicans, are all treated as sinners, and taxed as such on special sliding scales, regulated by the rate of the premises;—whether to be drunk on or off the premises;—whether in England and Wales, in Scotland, or Ireland;—whether retailers of cyder or perry only, or with beer; whether strong beer or small beer; with many other puzzling limitations and conditions too distracting to be further followed.

Distillers and Rectifiers, and their Retailers are treated much in the same way.

After Distillers come Dogs, also treated much in the same way, like dogs, but at the fixed *per capita* rate of 5s. without regard to quality. The total gross sum produced by the Dog Tax in 1869–70 was £285,181:15:0, about £80,000 more than the tax on Male Servants. There would not be any good ground of objection if this tax (on Dogs, not Male Servants,) were raised from 5s. to 20s.

The Public are indebted for this tax to an old friend of the Writer, known to former generations by the name of ‘Dog Dent.’

Passing over the tax on Male Servants as simply stupid and disrespectful to Female Servants, Carriages come next. This tax is according to the weight and the wheels, 4 cwt. or more with 4 wheels or more paying £2:2:0; less than 4 cwt. and less than 4 wheels, 15s. A carriage with no wheels may, therefore, run free,—if it can run. But for this silly tax how many more Carriages of all sorts would be made,—how many more workmen would be profitably employed,—how many more would enjoy their holyday drive out into the country?

Horses and Mules come next, paying 10s. 6d. each. This is stupidly inconsistent. A Mule being only half a horse ought to pay only 5s. 3d.

Hackney Carriages were taxed in London only : Stage Carriages according to the number of persons they were made to carry. These foolish taxes being paid chiefly by those who could not keep their own Carriages, were repealed from 1st January, 1870. By Act 32 & 33 Vict. c. 14.

Hawkers and Pedlars, with a few other miserable victims, were let off in 1870-71, by Act 33 & 34 Vict. c. 32. The reason for this relief is stated by the Commissioners of Inland Revenue in their 14th Report, and this is such an excellent commentary on all these Licence Taxes that, it will be given in the Commissioners' own words, as follows :

“ In this year a number of small Licence Duties were repealed, the principal one being the duty of £2 paid by a hawker on foot. This was a heavy tax on the poor traders who came within its scope, their stock in trade being frequently of less value than the amount of the duty, it was also very difficult to collect, and the prosecutions which we were compelled to order generally resulted in the imprisonment of the offenders who were quite unable to pay the penalties.”

This was a very good reason, and would apply to all other trades.

This reason was given many years ago in a former Edition of this Book, and almost in these very words. How many poor pedlars have been imprisoned since, under this peddling law ? But the duty has since been fixed at 8s.

It would be tedious to notice separately all the victims in this long list of fanciful absurdities ; but Playing Cards Makers, and Playing Cards Sellers are worth noticing for some small singularities.

The tax on Playing Cards Makers is £1. ; on Playing Cards Sellers 2s. 6d.

The number of Playing Cards Makers in the United

Kingdom in 1869-70 was 16; the number of Sellers, 9,158; and the Gross Amount of Duty paid was, £1,160:15:0. Of the 16 Makers, 15 were in England, none in Scotland, and 1 in Ireland. Of the 9,158 Sellers, 7,451 were in England, 952 in Scotland, and 755 in Ireland.

Any one reading over this list would naturally ask,-- 'Why are some trades taxed and not others'? or 'Why are any trades taxed'? Trade is supposed to be one of the great sources of wealth to every country, and to this country especially; therefore, deserving of every encouragement. A personal tax on a trader for a Licence to enter into the risks of trade cannot in any way operate as an encouragement, but quite the contrary. Take the case of Appraisers and House Agents, who pay £2 a year for their Licence, and Auctioneers, who pay £10 a year. The men who enter into this useful calling in large towns, may be able to pay this tax, but in the country this tax may be more than the whole year's profit. So it is found to be in practice, and many respectable Auctioneers and Appraisers in the country, and in towns too, are driven by this unjust tax to seek other employment.

But why should they be personally taxed in their callings and others not?

Why should Publicans and Paper Makers, Patent Medicine Vendors and Pawnbrokers, Playing Cards Makers and Postmasters be taxed, and Butchers and Bakers and Candlestick Makers go free? How are these inconsistencies to be reconciled to common sense or common justice? How exasperating must be these absurdities to those on whom such things are done!

What weakness in a Government to defer doing that which they will be compelled to do,—to sweep away all these absurdities,—or be themselves swept away!

RAILWAY DUTY.

This is another mischievous tax under the head of Excise, being 5 per cent. on sums received for conveyance of passengers, and, so far, acting in direct opposition to the purpose of Railways, which is to remove obstacles to the transport of persons and things from one place to another, this tax being an additional and unnecessary obstacle, by increasing the necessary and unavoidable expense.

The Gross sum produced by this tax in the year ended 31st March, 1870, was £505,907:13:4½, and the Nett sum paid into the Exchequer was £500,557.

ASSESSED TAXES.

All these taxes may be taken collectively, as arbitrary, inconsistent, and vexatious; many of them being obstructions to the healthy enjoyment of the People, others being obstructions to the trade and industry of the country, and all being unnecessary and impolitic, whimsical and absurd.

Can anything be more whimsical and absurd than to make a man pay £1:3:6 a year for the privilege of powdering his hair, a privilege now confined chiefly to coachmen. In the year 1870, the number of these privileged persons was 827, producing the gross sum of £972:9:6, and the nett sum to the Revenue of, £972.

Inhabited Houses, being Shops and Warehouses, Beer Shops and Farm Houses, are charged 6*d.* in the £. per annum—(another income tax). Dwelling Houses, 9*d.* in the £. per annum.

Male Servants, 18 years and upwards, £1:1:0 per annum; under 18 years, 10*s.* 6*d.* per annum.

Carriage Horses, and Mules are subject to so many absurd conditions, as not to be worth the space for such

particulars, but producing nett to the Revenue, in 1870, the large sum of £883,619.

Horse Dealers, producing the nett revenue, in 1870, of £17,083.

Armorial Bearings, producing, in 1870, the astonishing Nett Revenue of, £71,143.

The total of Assessed Taxes, in 1870, produced the Nett Revenue of £2,895,123.

Such was the Bill of Costs charged on the nation, under the head of Assessed Taxes, in the year 1870.

The additional tax of 10 per cent.—put on many years ago, as a *temporary* aid, still remains *to be* taken off.

STAMPS.

The absurdities and inconsistencies of the Stamp Duties are far too numerous to be noticed separately, and a few only of the principal instances are taken collectively, to show the impolicy and injustice of collecting Revenue by Stamps, the only Stamp admissible being the Postage Stamp, and that not for the purpose of Revenue.

With respect to the Stamp duties generally, and especially the Stamp Duties on Probates, Legacies, and Successions, there are such remarkable instances of unjust and oppressive taxation that, the wonder is that, such taxes were ever suffered, and still greater wonder that, they have been suffered so long.

With respect to the Successions duty, now fixed on the whole landed property of the kingdom, this is one of the most marvellous instances of confiscation, under the name of taxation, ever permitted in this country,—so marvellous that, it is impossible to suppose the land-owners were aware of the effect of this law when they allowed it to pass.

It is the nearest approach to *confiscation* which has ever been made in this country by authority of the Law, being a seisure of capital, and operating, in the course of a few generations, to confiscate a large portion of the unentailed property of the country. If this law should continue for half a century more, it must make a large portion of the land of this country change hands.

When this law is felt in its full effect, it will be found to change the ownership of many of the oldest family estates in the kingdom; and if, by the conservative power of entails, many of these estates be still preserved in the old ancestral line, some of the possessors will find themselves with incomes so reduced as to be quite unequal to their apparent position as lords of the soil, and quite inadequate to maintain what are now considered to be the necessary honor and hospitalities of the ancient House.

No law was ever passed so fatal to the Landed Aristocracy of Great Britain, as the law which imposed the Succession duty on landed estates. By a slow but sure process, this addition to the inevitable burdens on land will work the downfall of a large portion of the present families which constitute the landed aristocracy of the kingdom. Estates will change hands, and time-honored names will be obliterated from rent-rolls, and be remembered no more. These will be absorbed by the great capitals accumulated in trade. The merchant-princes will be the lords of the land, and future generations of the present landlords will become the laborers, until the same process has worked round, in still further generations to like results.

But, in the meantime, the sources of national prosperity will have been impaired. Land will have depreciated in price, and trade will have diminished in proportion. Trade must ever be, in a great measure, dependent for its prosperity on the prosperity of land,

which is, and ever must be, the basis of the nation's wealth. As land deteriorates in price, so must capital and trade diminish in quantity.

A flourishing state of trade and a depressed state of agriculture is a state of things never yet known, and never can occur. It may be taken as an axiom in political economy that, the interests of land and trade are identical and inseparable: that, taxation injurious to one is injurious to both:—therefore, it is the interest of both that, land should not be over-burdened with taxation. The desirable equilibrium has been more seriously disturbed by the imposition of the Succession duty on land, than by any former Act of the Legislature, and it is not easy to retrace such a false step once taken.

It is only left to sweep away, at once, the whole of this injurious system with all its appendages.

It is no answer to say that, the Succession duty was imposed for preserving a better equilibrium between Real and Personal Estate. This is no more an answer to the question of the propriety or policy of the measure, than would be the justification of one act of violence and injustice by the perpetration of another. The Probate and Legacy duties, imposed many years ago on personal property, were unjust and impolitic measures, and the injustice and impolicy are only enlarged and perpetuated by extending the same principle to land.

Hear what the most eminent lawyer now living says of this fatal measure to the fair fields of England.

The following are the words of Lord St. Leonards, in his "Handy Book."—

"I must conclude by reminding you of the Succession Duty Act (16 & 17 Vict. c. 51), which has deprived property of half its charms: it is as if a blight had fallen on the fair fields of England. Every man had the right to keep his parchments—his sheep-skins—in his own box,

in his own house: no one had a right to pry into the contents of his settlements. Now, every man's settlement must be open to the tax office and to the Government of the day, ever on the watch for a new succession, in order to levy a new duty. If, for example, a stipend is provided for an old servant, who dies, as even annuitants sometimes must, that creates a succession, and the person entitled to the property has to pay duty for his new enjoyment. You cannot, when liable to duty, cut trees on your estate beyond the value of £10 a year, without giving notice to the tax-officer and paying duty. Mr. Pitt, in the plenitude of his power, was foiled in his attempt to introduce a much milder impost on successions than is fixed upon them by the law to which I have referred you. The net is large and wide-spread, and the tax, for its nature, is the most vexatious burden ever laid upon property in England."

But what will Englishmen think when they are told that, this tax was first suggested by St. Simon, the Founder of French Socialism!

They will, perhaps, ask for some evidence of this fact, and here it is.

Without entering into the doctrines of this modern school of infidelity and anarchy, it may be sufficient to give the principles of this archimpostor as publicly announced in Paris, six years after his death, by his successor, M. Enfantin, the acknowledged chief of this infamous sect. It was thought advisable that, this new Church, as it was impiously called, should have a Journal of its own, and the 'Globe' having been offered, was bought on the 31st January, 1831, after which date it appeared with the addition of the words,—“Journal of the Doctrine of St. Simon.”

And with the following heading:—

“Religion.”

“Science.”

“Industry.”

“UNIVERSAL ASSOCIATION.”

“All Social institutions ought to aim at the amelioration, moral, intellectual, and physical, of the greatest and poorest class.

“All the privileges of birth, without exception, are abolished.

“To every man according to his capacity—to every capacity according to its works.”

In Paris the *Globe* newspaper was much read. It was not conducted exclusively as an organ of the sect, but treated of the questions of the day, and M. Enfantin particularly, in *Essays on political economy*, condescended to propose certain reforms in the actual organisation of society.

He laid down this principle:—

“Society is composed of idlers and laborers: a policy ought to aim at the amelioration, moral, physical, and intellectual, of the laborers, and at the gradual extinction of the idlers. The means of accomplishing these ends are, as to the idlers, the abolition of all the privileges of birth; and, as to the laborers, their classification according to their capacities, and their remuneration according to their works.”

This was the formula of the sect, but M. Enfantin consented to modify the application of it for a time.

Among other things, instead of demanding the immediate abolition of inheritance, he proposed that collateral succession should be abolished: that the sons and daughters should divide the possessions of their deceased parent, but that, in default of such direct heirs, the property should devolve to the State. He pointed out the evils of collateral successions, and especially those of remote degrees;—their multiplied partitions of land,—their vexatious lawsuits;—and he

suggested that such properties might be advantageously employed in the reduction of taxation, contending that the interest of the many should be preferred to that of a few distant relatives, unknown, perhaps, to the deceased, objects of entire indifference to him, or, possibly, even his enemies. Such successions too often add to the excessive fortunes of a few idlers, and would be far better employed in lightening the burdens of the industrious masses. Besides this, M. Enfantin was in favor of a heavy tax on direct successions, as a means of furnishing part of the revenue of the State. This tax should become still heavier as the heirs were further of kin from the deceased: and this mode might, by many persons, be preferred to the actual seizure of an estate in default of direct heirs, as removing the necessity of intrusting the management of the property to the hands of incapable public servants. This tax, even on direct successions, was defended on the ground that, it was taken at the time the property changed hands, and when, in many cases, it was about to devolve on those who would, unfortunately, be perverted by it from industrials into idlers.

It was contended by M. Enfantin that, at the time when property changes hands, a diminution of it is little felt, and that a seizure of a portion of it thus differs entirely from the confiscation of part of an estate of a living man.

The answer to all this sort of reasoning is obvious. Most of the estates are small, and descend to the Widow and Children of the deceased. In such cases it cannot be alleged that, the heirs are turned from the pursuits of industry to live in idleness; for it more often happens that, they are reduced from comparative affluence to poverty; the death of the head of the house annihilating the income derived from his exertions. The funeral expenses and the necessary legal charges are

considerable; and it is generally felt to be a great hardship that Government should step in at such a season of distress to seise, by Probate and Legacy duties, a share of the slender income of the Widow and Orphan,—thus acting like wreckers on the coast, who prey on the destitution of the afflicted.

There is, however, another objection which, on considerations of political economy, ought to be conclusive. This tax falls on capital, whereas, all taxes should be taken from the yearly produce of capital.

Capital is the foundation of social wealth, and is, therefore, necessary to national progress and prosperity. The increase of capital, therefore, should be the aim of every Statesman, and the fear of excess is, practically, groundless. Governments may safely leave the propensity to accumulate to take care of itself, but to prevent or discourage accumulation, or savings, is as unwise for the interest of the State as it is unjust to all classes.

It would not be correct, however, to attribute such an intention to the St. Simonians.

Their object was to protect property, but to abolish inheritance:—to allow the wife and family to share the possessions of the husband and father during his lifetime, but to filch those possessions at his decease, as the property of the State, leaving the widow and her children to work or starve.

The French Government wisely rejected these theories, and, whether wisely or not, prosecuted the propounder, M. Infantin, and condemned him to imprisonment.

Instead of the Succession duty acting as an equilibrium to the Probate and Legacy duties,—instead of preserving the balance between Real and Personal property,—the direct operation is, to impose an additional and heavier burden on both.

It is the first duty of a Christian Legislature to act on the principle of equal justice, and not to seek by *compensation* to make wrong more tolerable.

Every such attempt must fail, because it can only aggravate the original evil, by making the first wrong the greater and more lasting.

Especially applicable is this moral truth to the political interests of this great Commercial Country. We are, as Mr. Tooke remarks,—“Competitors in a race in which the smallest inequalities of pressure may give an advantage or a victory to rivals who, with greater skill, or greater prudence, have provided for a more unfettered command of their natural aptitude for the contest.” And, as he wisely adds:—“No Free Trade Financier will imperil the public credit by rash and weak experiments; but, while he regards caution as his first duty, he will also regard improvement as his first maxim.”

In imposing taxes, he will be the most skilful financier who can imagine himself in the position of the persons liable to pay any particular tax. It is impossible to suppose that, many of the vexatious and profitless imposts which have been laid upon the People of this Country would ever have been proposed, if Statesmen had attained to an adequate notion of the personal inconvenience caused by these imposts. And what is public good but an aggregation of personal convenience?

The greatest happiness of the greatest number can never be incompatible with the welfare of the Nation.

In the First Edition of this Book, in 1857, the history of the Stamp Duties was traced from the first to the last of these nefarious Acts. That history is too long to be here inserted, but some of the small and vexatious stamps since introduced, and which are serious obstructions to trade, must be shortly noticed.

Stamps are generally regarded as direct charges, and so they are when directly paid for by the purchaser, or consumer, or person to whom they are given. But when charged upon producers, or distributors connected with trade, stamps have precisely the same effects as Customs' duties.

The producer, or the wholesale or retail distributor, cannot sell so cheaply as he otherwise would, and profits have to be piled upon profits before the pocket of the public is reached. Objectionable charges of this kind on trade are receipt stamps, Inland Revenue stamps on delivery orders, and on bills and drafts. A single Wholesale House in the City of London, with which the Author is acquainted, spends no less than £500 a year on these stamps, of which money not a penny can be recovered directly from the customers. This is equal to an income tax of 6*d.* in the £. on a realised income of £20,000 a year; and the trader's income is in the highest degree uncertain.

The idea of these taxes was that, the retail distributor would finally recover them from the consumers, and so he does, but with an addition of, probably, 50 per cent. for profit, loss of interest of money, &c., of the different traders through whose hands the taxes have passed.

This is a serious additional cost to the public, besides the loss to the Wholesale dealer, and the serious impediment to trade.

The wholesale House referred to pays on the average One Pound a day, throughout the year, for Receipt Stamps alone, and these charges cannot be thrown on the customers or consumers.

The duty of One Penny on Cheques and Bills is another mean and contemptible tax, open to the same objection, and which, when tried on the lucifer match box, drew down public indignation.

The notorious and disgraceful Stamp Act, 55 Geo. III. c. 184, still, for the most part, in force, is intitled,—“An Act for repealing the Stamp Duties on Deeds, Law Proceedings, and other written or printed Instruments, and the Duties on Fire Insurances, and on Legacies, and Successions to Personal Estate, upon Intestacies now payable in Great Britain, and for granting other duties in lieu thereof.”

This is a most scandalous and disgraceful Act, and can be properly designated only as a fraud upon the People, being passed when the People were not represented in Parliament, in the time of rotten boroughs, when counties and boroughs were bought and sold in open market by the rich, and all was rotten in the State practically, though the Constitution was glorious in theory.

This infamous Stamp Act, still the law of the land, did repeal some of the Stamp Duties, but only to reimpose them with more dreadful severity than ever on the miserable People, who had no voice in the matter, and, of course, knew nothing about it.

Passing over the first six sections, relating principally to particulars of the *management* of the Stamp Duties, we come to the seventh, which makes the yielding to the temptation of *evading* the operation of this most disgraceful law by forging stamps, *using them twice*, or *transposing them*, felony, punishable with death! and punishable with death these offences remained, until the year 1830, when capital punishment was abolished in cases of forgery; and until the year 1833, when the other modes of evasion of the duties were made liable to imprisonment or transportation for various terms of years, or for life, at the *discretion* of the Court!

Think of hanging men and women,—and many men and women were hanged,—for imitating the impress on a bit of paper, or even for using the real stamp *twice*, or for *transposing* it from one bit of paper to another!

Think of the punishment of death for breaking the letter, or even for *evading* the spirit of such an Act, or any Act, of Parliament!

Think of that Act still disgracing the Statute Book of this enlightened kingdom!

Is it surprising that, in the great State cauldron we see the dirty scum bubbling up to the surface?

Is it surprising that, tinkers and tailors should try to set themselves up as law reformers; or 'would it surprise you' to see this class led by a *parvenu* Baronet and legislator, seeking popularity even from the lowest of the low?

The 37th section of this Act provides that, if any person shall administer any part of the effects of any deceased person, without obtaining probate of the Will of such deceased, or Letters of Administration to his effects, within six calendar months after the death, every person so offending shall forfeit £100 *and* 10 per cent. on the amount of Stamp Duty payable on the probate!

When the sliding scale of this probate duty is considered, the severity of this penalty will be more apparent. It was so apparent that, it has lately been made a little less so. But the penalty still stands the same.

The 43rd section imposes a penalty of similar amount on any executor who, on discovering that he has, by mistake, paid too little duty, shall not pay the proper amount in addition, within six calendar months after discovering his error.

The 54th section contains the following strangely considerate provision:—"That nothing in this, or any other Act, shall extend, or be construed to extend, to charge with any Stamp duties, *ginger* and peppermint lozenges, or any other kind of confectionery, *unless* the person vending the same shall vend the same as medicines, or as beneficial for the prevention, cure, or relief

of any distemper, malady, ailment, or disorder, incident to, or in anywise affecting, the human body ;"—then a Stamp tax is to be paid !

Such was the wisdom of Parliament in the Reign of George the Third !

The partial and unjust working of this Act is manifest on a careful inspection of the Schedule to the Act, but, by the manner of imposing these duties, the immense loss and inconvenience to the public is hidden, not only from ordinary observation, but from all observation whatsoever, except that of persons much experienced in the matter, and is a loss and inconvenience falling with greater severity as people are less able to bear it.

The only principle kept in view by the framers of the Schedule to this Stamp Act was, to load small transactions with a heavy amount of duty, and to keep large transactions, comparatively, exempt. In other words, the wealthy legislators shield themselves from the payment of their fair proportion of this tax, at the expense of the middle and lower classes, in a manner most open and notorious, and when less open and notorious not less flagitious.

Fortunately for the country, many of these cases have been mitigated in severity, and inequality, by Acts passed in the present reign, but particularly by the Act 13 & 14 Vict. c. 97, which materially alters, by reducing, the duties on agreements, bonds, conveyances, leases, memorials, mortgages, settlements, and warrants of attorney, and abolishes the duty on the lease for a year. But this Act, absurdly enough, increases the penalty on stamping deeds after execution, to Ten Pounds, and, in some cases, 5 per cent. interest on the amount of duty, in addition to such penalty.

The 16 & 17 Vict. c. 59, reduces the duties on indentures of apprenticeship, where no premium is paid ; or debentures for procuring drawbacks of customs, &c.,

drafts, policies on lives, and receipts; and enacts that, counterparts of leases signed by the lessee only, do not require the denoting stamp applicable to duplicates. C. 63, repeals the advertisement duty, and reduces the duty on Articles of Clerkship, and Attorneys' Certificates.

The 17 & 18 Vict. c. 83, reduces the duties on bills of exchange and promissory notes; leases for terms exceeding 35 years; conveyances in consideration of perpetual rent-charges, and licences to demise copyholds.

Of all subsisting Stamp duties, in addition to those imposed by Customs and Excise to the great impediment on Trade, already noticed, the most obnoxious, oppressive and impolitic, are the following:—

1. On Probates and Letters of Administration.
2. „ Legacies and Successions.
3. „ Marine Insurances.
4. „ Deeds and other Instruments.
5. „ Licences and Certificates.
6. „ Medicines.

Probate duty is an *ad valorem* duty, paid, by the personal representatives of deceased persons, on the *gross* amount of the personal property left to their descendants.

Legacy duty is graduated according to the relationship of the legatee to the deceased.

Legacy and Succession duties are taxes *over and above* the Probate duty, paid by the persons who succeed to the property of the deceased, with the exceptions of husband and wife, who pay no legacy duty.

Probate duty must always be paid.

By a strange and double anomaly, probate duty is not payable upon freehold or copyhold estates, though, when they are devised to be sold, the legacy duty is payable, but the probate duty is not, though, to be consistent, it ought to be payable.

Administration duty is similar to the probate duty, though the scale of duty is higher,—by way of penalty on the property of the deceased for dying without making a Will !

The whole arrangement is insulting to common sense, grossly prejudicial to the poorer classes, and odiously partial in its operation.

It is impossible here to point out the innumerable instances of injustice and oppression in the operation of this tax. It comes into operation, generally, in the time of affliction, and too often falls upon the bereaved, at a time when they are least able to meet the demand, having just lost their chief means of support. It is a tax which takes away from the family and friends of the deceased a large part of the property, in consequence of and immediately after death, and by means the most peremptory, exacting, and oppressive ; demanding an inventory and valuation of all the personal property and effects of the deceased, and the consequent exposure of all his private affairs ; the balance at his bankers ; the loose cash in his house ; his rooms and store closets are rifled for an account of his books, plate, linen, china, and even his wardrobe for his wearing apparel ; his cellars for his beer and wine ; his coach-house and his stables for his carriages and horses ; and all these painful inquisitions are imposed, under severe penalties, at a time when most severely felt. Nor is this the worst. To comply with all the complex requisitions of this infamous law, the assistance of an attorney is necessary in most cases, and to him, consequently, all the private affairs of the deceased, even to the minutest particulars, must be exposed. Another unavoidable consequence is the payment of his Bill of Costs,—seldom less, and often much more, in amount than 10 per cent. upon the tax paid ; and fortunate is the case, if the account of the executor with the Stamp Office be, at last, finally

closed without question, or some monstrous exaction or Exchequer Suit.

The only justification for these taxes is, the plea of necessity. That plea might be good if it were true. But it is notoriously untrue. Nor is the injustice and oppression of these taxes the worst that can be urged against them. The unforeseen and demoralising consequences are worse than the open and direct injury. This law, like every other unjust and oppressive law, is evaded to an extent of which the public can have no conception.

It was an admission once made to the writer by a Gentleman, then holding a high and confidential position in the Legacy Duty department of the Stamp Office, as a fact well known to the Commissioners, that, if the duties payable by law on probates, legacies, and residues, were duly paid, the National Debt of this country might long ago have been paid off!

Through the long series of years during which these unjust and oppressive duties have been imposed upon the people, it may be safely said that, not one executorship account has ever been justly rendered and paid in strict accordance with the provisions of these Acts of Parliament.

- And yet every one of these Accounts has been made out, delivered, and paid, on the faith of a solemn oath.

What further comment need be made on such a system of legislation as this,—of unjust and oppressive laws, mitigated in their severity only by the evasions of perjury!

Succession to real estate being now subject to a like scale of duty as personal estate, the absurd anomaly of the unjust distinction between real and personal estate, for the purpose of taxation, is removed. But when Land-owners come to feel the full force of this tax, they will, in the course of time, find it to be, in many cases,

practically, *confiscation*. They submitted to this tax in ignorance of its effect, as a kind of compromise for Sir Robert Peel's tariff and income tax. But the principle on which that compromise was made was radically wrong; and, sooner or later the error will be more plainly seen and more generally acknowledged, and *then* all these unjust and obnoxious taxes will be swept away. To hasten that happy advent is the present object.

The Gross Sum produced by Stamps in the year, ended 31st March, 1870, was—£9,532,878 : 2 : 7½, and the Nett sum received was, £9,288,553. In this long list will be seen the two following items :—

	£
Bankruptcy Court Fee Stamps	27,353
Chancery Court Fee Stamps	63,729
	<hr/>
	£91,082

These became Revenue from 1st October, 1869.

A strange source of Revenue,—the Administration of justice in England! not applying to Scotland or Ireland!

THE LAND TAX.

Upon the accession of William and Mary, the circumstances of the country were such that no tax could be depended upon as sufficiently productive that was not imposed upon land, in the produce of which the wealth and income of England at that time principally consisted. That it might be rendered as efficient as possible, new assessments were taken of the property and income that each individual possessed.

But the rate was far from being equal. Those who were attached to the principles established at the Revolution were forward to show their zeal in favour of the new Government, and gave in a fair statement of their

real situation, whilst the secret friends of the exiled family, with the sordid and avaricious, gave in a very different account, estimating their property at the lowest rate at which it could be calculated. Hence the Assessments, since known under the name of the Land Tax, were not in any respect so productive as they might have been.

The valuation here referred to was made in pursuance of the Act 4 William and Mary, c. 1., which directed an assessment of 4s. in the pound upon all real Estate assessed on the *bond-fide* rack-rent, and on offices (except naval and military); and on personal estate 24s. per £100., or 4s. in the pound on £6, the then legal rate of interest, stock on land and household property being exempt. The King's Remembrancer in the Exchequer was required by the Act (s. 9) to ingross in a book, made of parchment, the several sums returned to him as assessed upon every county, riding, city and town, and every hundred, wapentake, parish, division, town, and place therein, which returns, the Commissioners, appointed for putting the Act into execution, were therein directed to make. The sum realised by the assessment amounted to £1,922,712. Five Acts followed, imposing a certain pound rate upon the same description of property; but in the subsequent year, owing to the sum raised by this mode of assessment showing an annual decrease, it was deemed expedient that a specified sum should be henceforth levied, which sum was fixed at £1,484,015 : 1 : 11 $\frac{3}{4}$, by the 9th and 10th Wm. III. c. 10.

By reason of some difficulties which thereupon arose in apportioning the quotas to be paid by certain districts, the Act of the following year, 10th and 11th Wm. III. c. 9, which granted a like sum of £1,484,015 : 1 : 11 $\frac{3}{4}$, directed that the proportion of tax which each district was found to have borne under

the assessment made pursuant to the Act 4 William and Mary, c. 1, should determine the ratio in which it was to contribute towards making up the quotas the Act imposed upon the several counties, cities, and hundreds, as therein expressed.

From the passing of this Act, to the year 1798, the Land Tax was voted annually, and the Act under which the grant was thus yearly levied, fixed the amount to be raised for the particular year, and named the pound rate at which the same should be assessed. The rates, during this period, ranged from 4s. in the pound, which was the highest rate named, to 1s. in the pound, the lowest rate named. In the year 1798, the usual Act was passed for granting the Land Tax for the service of that year. This Act, 38 Geo. III. c. 5, directed the sum of £1,989,673 to be raised in England and Wales, and fixed the contingent for Scotland at £47,954, which sum has been the amount paid by that country since the Union.

In accordance with the established practice, the Act mentioned the quotas to be set upon counties and certain divisions, towards raising the amount to be paid in England and Wales, and required that such quotas should be still levied within the several divisions and sub-divisions, in proportion to the sums respectively assessed thereon by the Act 4 William and Mary. The quota for Scotland was also to be raised according to the proportions specially named in the Act.

Before this time, however, the principle of assessment observed under the first Land Tax Acts had been widely departed from. Personal Estate, which it was evidently intended should contribute the larger share of the annual quota granted, had been gradually relieved from assessment, and to such an extent that, in 1798 the proportion of the quota borne by pensions, offices and personal estate together amounted

only to £150,000, whilst lands, tenements, and other property contributed the remainder.

In the month of June, 1798, Mr. Pitt produced his scheme for the redemption of the Land Tax, which was brought into operation by the Act 38 Geo. III. c. 60. The object of this measure was to diminish the pressure of the Public Debt in the market, by causing the absorption of a large amount of stock.

In order to carry out the plan, the Land Tax, which, by the assessment of the current year was charged upon the several counties, ridings, etc., was made perpetual, subject to redemption; and the quotas, thus rendered a fixed charge, have been therein levied (minus the redeemed portion thereof) from the passing of such Act, to the present time.

From the 4 William and Mary (1692), the duties raised in England under the head of Land Tax, were levied at rates varying from 1s. to 4s. in the pound, according to the exigences of the times, by Acts annually passed for such purpose, down to the year, 1798, when so much of the quota of land tax granted by the Act of that year, 38 Geo. III. c. 5., as was assessed upon lands, tenements, and hereditaments, was made perpetual by the 38 Geo. III. c. 60, subject to redemption, which latter Act continued the powers and provisions of 38 Geo. III. c. 5., for assessing and levying the unredeemed portion of the tax. These powers and provisions were also continued by the 42 Geo. III. c. 116, which repealed the 38 Geo. III. c. 60, and were confirmed by the 53 Geo. III. c. 142; but they have since been modified in some respects and extended in others, by subsequent Acts passed for the more effectual assessment and collection of the tax.

The substance of the existing enactments, in the order in which they are brought into operation for the due raising of the duties, may be more conveniently considered under the following general heads:—

1. The persons and nature of property chargeable, and the persons and subjects exempt.

2. Mode of Assessment and collection, and rights and remedies of persons assessed.

First, as to the property assessable.

The following are declared liable to assessment :—All and every manors, lands, tenements, mines, iron-mills, furnaces, and other ironworks, salt springs, and works, all parks, chases, warrens, woods, underwoods, coppices, and all fishings, tithes, tolls, annuities, and all other yearly profits, and all hereditaments, fee farm rents, and all other rents, payments, and sums of money issuing out of any lands. (38 Geo. III. c. 5. s. 4 and 24.)

These are to be charged with as much equality and indifference as possible, by a *yearly assessment*, to be made at an *equal pound rate*, not exceeding four shillings in the pound, upon the real value thereof, towards raising the quotas made perpetual by the 38 Geo. III. c. 60, upon the several cities, boroughs, towns, parishes and places in England and Wales, and Berwick-upon-Tweed. (42 Geo. III. c. 116, s. 180.)

Where these different descriptions of property are assessed to the poor rate, such rate is very generally adopted as the basis for assessment to the land tax, and may, in most cases, be regarded as a sufficiently convenient and equitable mode of valuation for the purpose. It should, however, be borne in mind that, such mode of adjusting the rate of land tax can be resorted to only when it is found to accord fully with the directions set forth in the Act.

All lands, &c. are to be rated and assessed in the places where such lands lie, and not elsewhere. (38 Geo. III. c. 5. s. 53.)

Tenants are to pay the tax and deduct it out of their rents; and if any difference arise between them and their landlords, concerning the rate, the Commissioners

for putting the Act into execution have power to settle the same as they may think fit (s. 17 & 18).

Contracts or Agreements, however, between landlord and tenant, touching the payment of taxes and assessments, are not to be affected (s. 35).

Assessments upon the house of foreign Ministers are to be paid by the landlord or owner (s. 46).

Every assessment to the land tax should be made upon the several occupiers of the property chargeable.

The 5th section of 38 Geo. III. c. 5, after reciting that many of the manors, messuages, lands, tenements, tithes, hereditaments and premises liable to assessment to the land tax are subject to the payment of several rent-charges or annuities, and other annual payments issuing out of the same, or to the payment of divers fee farm rents, rents service, or other rents thereupon received or charged, and that, consequently, the owners of the lands so encumbered, do not receive the true yearly value of the same, authorises such landlords and owners to abate and deduct out of every fee farm rent or other annual payment, so much of the pound rate assessed upon the said manors, lands, &c. as a like rate for every such fee farm rent or annual payment respectively shall, by a just proportion, amount to, so as such fee farm rent or other annual rent do amount unto twenty shillings per annum or more.

In the case, however, of fee farm rents, or other chief rents, payable to the Crown, or to any person deriving title from the Crown by purchase, under the Acts, 22 & 23 Charles II. c. 6. & 24, it is enacted (38 Geo. III. c. 5. s. 30 & 31), that the receivers thereof are to allow to the parties paying the same, four shillings in the pound on such rents, and a proportionate rate for any greater sum than ten shillings, excepting such fee farm rents as were payable before the 25th March, 1693, to any college, hospital, or any person exempted

by the Act; and provided such deduction does not exceed the sum assessed upon the whole estate, out of which such fee farm rents, &c., may issue.

Secondly, as to persons and subjects exempt.

The Sovereign, by virtue of Royal prerogative, is exempted from the operation of all statutes imposing duties on the subjects.

The 25th section of 38 Geo. III., c. 5, declares exempt, colleges and halls in either of the two Universities of Oxford and Cambridge; and the Colleges of Windsor, Eton, Winton, and Westminster; the corporation of the governors of the charity for the relief of poor widows and children of clergymen, and the College of Bromley; and all hospitals in England and Wales, or Berwick-upon-Tweed, for, or in respect of, the sites of the colleges, halls or hospitals. It also exempts all masters, fellows, readers, officers &c. of any college or hall, and all masters and ushers of schools from assessment for any profits or exhibitions, &c. arising or growing due to them in respect of their places or employments in such universities, colleges or schools. The same section further exempts any houses or lands which, on or before the 25th March, 1693, belonged to the sites of any colleges or halls in England, Wales, or Berwick-upon-Tweed, or to Christ's Hospital, St. Bartholomew's, Bridewell, St. Thomas' and Bethlehem Hospitals in the City of London or Borough of Southwark, or any of them, or to the said corporation of the governors of the charity for the relief of the poor widows and children of clergymen, or to the College of Bromley, and any other hospital or almshouse, for or in respect of any rents or revenues which, on or before the 25th March, 1693, were payable to the said hospitals or almshouses, to be disbursed for the immediate use and relief of the poor of the said hospitals, &c., only.

But all houses and lands held by lease or grant from

the said Corporation, or of any of the said hospitals or almshouses, are liable to be assessed for so much as they are yearly worth, over and above the rents reserved and payable to such Corporation, &c., to be disbursed for the immediate relief of the poor of such Corporation, &c. (s. 26).

The district commissioners of land tax are to determine how far lands, &c., belonging to hospitals, &c., not exempted by name, are liable to assessment (s. 28).

All lands, &c., belonging to any hospital, or settled to any charitable or pious use, which were assessed in the fourth year of William and Mary, are likewise chargeable; all other lands, &c., then belonging to such hospitals, &c., not then assessed, being exempt (s. 29).

The tenants of any houses and lands belonging to the said Colleges, Halls, Hospitals, &c., who, by their leases or agreements are bound to pay rates and taxes, are also liable to assessment (s. 27).

No poor person shall be chargeable where lands, tenements, or hereditaments, are not of the full yearly value of 20s.—in the whole (s. 80).

Tolls, or duties on turnpikes, are not chargeable (s. 22).

In addition to the above exemptions, thus distinctly provided for, there are the following, arising both incidentally and directly out of the Redemption Acts:—

Allotments made under Inclosure Acts, in respect of messuages, lands, &c., upon which the land has been redeemed, and in respect of rights of common appurtenant thereto, are not assessable. Such allotments likewise are not chargeable when made in respect of lands or common rights, &c., belonging to hospital lands, &c., coming within the exemptions contemplated by the 25th section of 38 Geo. III. c. 5.

Upon the partition of any lands, &c., held by coparceners or joint-tenants, &c., the allotments made to such of the co-parceners, &c., who have redeemed their

proportion of land tax, are exonerated from assessment (42 Geo. III. c. 116. s. 39).

By the Act, 53 Geo. III. c. 123. s. 38, tithes and other hereditaments belonging to any livings, the land tax whereof had been redeemed previously to the passing of that Act, are discharged from liability to assessment, although not rated to the land tax at the time of redemption ; and all tithes and hereditaments sold or conveyed to any body politic, or corporate, or company, or any feoffee, or trustees, for charitable or other public purposes, for redeeming land tax or other hereditaments, are likewise declared free from assessment, though not rated to the land tax at the time of such sale or conveyance thereof.

By the Acts 46 Geo. III. c. 133, 49 Geo. III. c. 67, 50 Geo. III. c. 58, and 53 Geo. III. c. 123, powers were given to the Commissioners appointed under the Great Seal, to direct the exoneration and discharge of land tax charged upon the lands, tenements, and other hereditaments belonging to any livings or other ecclesiastical benefices and charitable institutions, the whole annual income whereof did not exceed £150, without payment of any consideration.

It was enacted by 53 Geo. III. c. 123. s. 38, that all messuages, lands, tithes, and other hereditaments belonging to the several livings, &c., which had been, or were intended to be, exonerated from land tax from the periods of their exoneration under either of these Acts, and from all future assessments to the land tax, notwithstanding certain portions or parts of the tithes or other hereditaments belonging to such livings were not, at the respective periods of exoneration, rated to the land tax.

These powers of exonerating small livings, &c., were renewed and enlarged by 54 Geo. III. c. 173, and 57 Geo. III. c. 100, and the commissioners for executing such Acts might exonerate the hereditaments belonging

to such livings, &c., not rated to the land tax from liability to assessment; and all the hereditaments belonging to any living, so exonerated, are thereby declared free from any future assessment, although any of them or any parts thereof were omitted to be rated to the land tax at the time of the exoneration (s. 4). Allotments made under the Inclosure Acts, in respect of lands, &c., belonging to livings exonerated under the powers of the above-recited Acts, are also not assessable to land tax.

The duties or personal estates having been repealed in 1833, by 3 William IV. c. 12. the only duties remaining to be considered are these chargeable in respect of public offices of profit. The 38 Geo. III. c. 5, directed that, these offices should be rated at 4s. in the pound, towards the aid by such Act granted. The 38 Geo. III. c. 60, which made perpetual, subject to redemption, the sums charged on lands, &c.—provided that, the sums charged on public offices should be raised under any Act or Acts to be passed for that purpose. These duties were consequently raised under annual Acts, down to the year, 1836, when they were made perpetual by the 6 & 7 William IV. c. 97, and for ascertaining, assessing, and regulating such duties, the provisions of one of the annual Acts, (6 Geo. IV. c. 9.) were continued. This Act (sec. 3.) directs that every person having, using, or exercising any public office or employment of profit, which is or shall be rated by virtue of the 38 Geo. III. c. 5, shall be charged a sum not exceeding the amount at which such office was assessed in the year 1798. Every person assessed for his office or employment is to be rated in the place where the same is exercised, although the profits arising therefrom are paid elsewhere (s. 16). Where any office is executed by deputy, the deputy is to pay the assessment thereon, and deduct the same out of the profits of such office (s. 17).

No officer, however, is chargeable in respect of any salary, stipend, or other annual payment, which has been specially exempted from the payment of aids or taxes by any Act of Parliament, order in Council, warrant under royal sign manual, order of the Commissioners of the treasury, or in any case where the sum assessed on such salary has been directed to be repaid out of the public revenue, provided that the authority for the payment of such salary, nett, or without deduction, or the repayment of the duty assessed thereon, be certified by some principal officer in the department to which such officer belongs (s. 21).

In those instances of the rents and revenues of the residentiaries of the cathedral churches in England and Wales being chargeable to the land tax, where the over-plus of such rents, above the tax and other charges, goes in shares to them, such residentiaries shall not be farther chargeable in respect thereof, as enjoying offices of profit (s. 19).

In the Act 5 & 6 Anne c. 8. intituled "An Act for an Union of the two kingdoms of England and Scotland," it is provided (Article IX.), "That whenever the sum of £1,997,763 : 8 : 4½ shall be enacted by the Parliament of Great Britain to be raised in that part of the kingdom called England, on land and other things usually charged in Acts of Parliament there for granting an aid to the Crown by a land tax, that part of the United Kingdom, now called Scotland, shall be charged by the same Act with a further sum of £48,000, free of all charges, as the quota of Scotland to such tax, and so proportionately for any greater or lesser sum raised in England by any tax on land and other things usually charged together with the land; and that such quota for Scotland, in the cases aforesaid, be raised and collected in the same manner as the cess now is in Scotland, but subject to

such regulations in the manner of collecting as shall be made by the Parliament of Great Britain."

In accordance with the above Statute, the quota for Scotland varied proportionately with that of England, down to the year 1798, when the sum granted for England in that year, by 38 Geo. III. c. 5. was £1,989,673 : 7 : 10 $\frac{1}{4}$; and the quota for Scotland fixed at £47,954 : 1 : 2, to be levied by an eight months' cess of £5,994 : 5 : 1 $\frac{3}{4}$ per month; the said cess to be raised out of the land rent, according to the monthly proportions within the respective shires, stewartries, cities, and boroughs set forth in the Act (s. 128); the proportion of the boroughs was to be rated and paid according to the then existing tax roll, or was to be settled by themselves (s. 129).

The amount of the quota is to be raised free of all charges, and to be paid at Edinburgh (s. 136).

The sums so assessed upon the counties, stewartries, cities, boroughs, &c., were made perpetual, subject to redemption, by 38 Geo. III. c. 60, and they have from such time been assessed under the provisions of the 38 Geo. III. c. 5, continued for the purpose by the 42 Geo. III. c. 116, which Act provides (s. 180) that all lands, tenements, and hereditaments, situated in Scotland, shall continue subject to a new assessment yearly, and from year to year, according to the rates and in the manner established by law or custom in that country.

Thus, it appears that, the Land Tax is now assessed on a valuation made in the year 1692, when certain payments or quotas were apportioned to each county, or hundred, or other division; and that, for upwards of a century the tax was payable under annual Acts, and varied in amount from 1 shilling in the pound, to 4s. in the pound, at which latter sum it was made perpetual by the 38 Geo. III. c. 60, subject, however, to redemption by the landowners on certain conditions. But no new

valuation of the land has been made, and the proportion chargeable to each district has continued the same as it was in the time of William III., as regulated by the Act of 1692. That assessment is said not to have been accurate even at that time, and, of course, improved cultivation and extended markets for agricultural products, raised up by the application of industry, inventions, and capital during the last 180 years, have completely changed the relative value of different portions of the soil.

The difference is caused by the accumulation of productive capital and fixed property in one district over another; partly also by the discovery and application of minerals, unknown in 1692. The chief increase, however, is caused by the difference between the order of persons who live on rent and eat up the wealth it represents without residue, leaving the smallest possible profit to the producers of rent; and the order of persons engaged in manufactures and commerce, who live more moderately in relation to income, and add what their moderation spares to productive capital, again doing the same, and again and again, to be succeeded by others, augmenting the productive capital in like manner. At last, the increase elevates the rent per acre of their county, until the land tax valuation of 1693 stands at $\frac{1}{2}d.$ per pound for manufacturing Lancashire, and one-ninth of a farthing for commercial Liverpool.

In the discussion which took place in 1798, when Mr. Pitt introduced his Bill, which passed into a law, for the redemption of the land tax at twenty years' purchase, two leading facts, with which the Public have now to deal, were prominently put forward.

The first was that, *the valuation of property for land tax was the same in 1798 as it had been in 1695.*

The second was that, *the Act for the redemption of the land tax (4s. in the pound on the valuation of 1695) did not preclude that or any future Parliament from imposing*

another land tax, or augmentation, or a re-assessment of the present; so that the redemption of the land tax, under the provisions of 1798, does not preclude, by any compact avowed or implied, the Legislature of the present day or any future time from re-assessing the rental of land at 4s. in the pound of present value (or at any other rate), if it be the will of the nation that such should be done; at the same time Mr. Pitt comforted the House of Commons of that day with the assurance that, Parliament was not likely to propose a re-assessment.

He said that, he proposed by this measure to reduce so much of the Public Debt as should leave an income of £2,400,000,—applicable to the public service. The pecuniary advantages arising from this measure must be obvious from this statement, because the public would dispose of £2,000,000, for which they would clear off the public debt to such an amount that, the interest would produce a sum of £2,400,000, leaving upon the whole, a clear gain to the public of £400,000. He proposed to sell the Land Tax at twenty years' purchase!

By a return to the House of Commons, dated 12th July, 1844, the Total Land Tax in England and Wales was shown to be £1,858,924 : 6 : 1¼, of which £724,463 : 19 : 2¾ was redeemed, and £1,134,460 : 6 : 10½ was unredeemed.

The impropriety and impolicy, if not dishonesty, of selling the Land Tax for a given sum, at any time, must be a fraud upon posterity. Suppose it to be redeemed by the land-owner by purchase of twenty years, the price of redemption is either at once spent by the Government, or it is not. If spent, it is a financial fraud, as the amount of the tax for the future is levied on something else, most probably on some process of industry or operation of commerce, to its obstruction, and diminution of its capital.

If the redemption money be not at once dissipated,

the sale of the Land Tax is not less a financial blunder, if not a fraud. If land worth £100 a year be sold by its private owner at twenty years' purchase, he receives £2000. If he dissipate this sum in the first year or in any number of years, he must supply his wants elsewhere or starve. Nobody will grant him and the generations of his family after him, through all posterity, £100 a year, or £2000 every twenty years. But if the State sell £100 a year of Land Tax for £2000, and dissipate that sum in one year, or in any number of years, its future wants must be supplied elsewhere, no matter where the burden falls. But, even were the land tax exchanged for what is an equivalent at the time of exchange, say, £100 a year of land tax to pay off £2000 principal of national debt (which was never due), the financial blunder is the same in principle, though it might be less in degree. The weight of the public debt diminishes, first, positively, by alteration in the value of money; and second, relatively, by increase of population and tax-bearing property. Whereas rent, or tithe (land tax being analogous to rent and tithe except in the improper adherence to the fixed valuation of 1695), increases not only as other property and population increase, but in a ratio considerably greater. Let it be affected by the same influences as rent and tithe, as, doubtless, the public will soon insist on its being,—to the influence of competition for space to cultivate, to build,—to the influence of expanding capital,—population and industry, in manufactures and commerce, and it also will expand. To sell the right to this source of revenue for the improvident mess of potage, called, Redemption of the Land Tax, is a folly which finds no adequate expression in political phraseology; it is a breach of trust and very like embezzlement;—breach of public trust for the benefit of private interests;—embezzlement of public funds to serve im-

mediate political ends; fraud upon the public finances by the legislative and governing order of men, to aggrandise their own private property.

For showing the absurd inequality of the Land Tax, and how small a portion of the burdens of the State is borne by real property, and by land in particular, it is only necessary to refer to the Tables, published in detail, of which the following is a specimen, framed from the returns of land tax valuation in the Parliamentary Paper, 316, Session 1844, and the property tax returns, 5th April, 1843, in the same Paper, and in the official returns given in evidence before the Lords' Committee on Burdens on Land.

The examples here given will be sufficient for the present purpose, without entering into these details in other parts of the kingdom, the present object being to show that, the object of the Legislature in these Acts has been defeated.

LAND TAX PAID UPON THE GROUND RENTS AND OTHER REAL PROPERTY OF CERTAIN TOWNS.

	Real Property Assessed to Property Tax, 1842.	Amount of Land Tax on Lands and Tenements, according to Assessments of 1695 and 1798 still adhered to.	Rate of Land Tax per pound on value of Real Property assessed to Property Tax, 1842.
	£	£	£ s. d.
London, City	1,686,266	87,056	About . . 1 0½
St. Pancras	1,247,479	1,399	„ . . 0 0¼
Mary le bone	1,087,783	564	half a . . 0 0¼
Paddington	584,152	354	About . . 0 0¼
Bath	314,541	657	„ . . 0 0½
Cheltenham	216,108	491	„ . . 0 0½
Leeds and Suburbs . .	544,908	1,057	„ . . 0 0½
Sheffield	215,596	212	Under . . 0 0¼
Liverpool	1,568,347	168	one 9th of 0 0¼
Ditto, Everton, Toxteth, West Derby	342,481	341	under . . 0 0¼
Manchester	1,573,405	1,106	„ . . 0 0¼
Preston	177,196	98	„ . . 0 0¼

The same calculations made on all the counties and divisions in England and Wales show an average rate per pound of $4\frac{3}{4}d.$ on the annual value of real property assessed to property tax in 1842-3.

That this mode of assessing the Land Tax is quite contrary to the meaning of the Legislature, is beyond doubt, for all the Acts expressly provide that the tax on "all hereditaments of what nature and kind soever," shall be "the sum of 4s. for every 20s. by the year, which the said messuages, etc., are *now* worth to be leased, if the same were truly and *bonâ fide* leased or demised at rack-rent, and according to the full true yearly value thereof;" and all enact that Commissioners shall be appointed, and that such Commissioners shall appoint two assessors for each parish, whose duties are thus defined in the Act of 1798:—"To ascertain and inform themselves, by all lawful ways and means they can, of the true and full yearly value of all manors, etc.;" and having so done,—“to assess all and every the said manors, etc., after the rate of 4s. for every 20s. of the full yearly value as the same are let or *are worth to be let at the time of assessing thereof* as aforesaid.” If the valuation of 1692 were to be the fixed and unvarying assessment, what occasion was there for any Assessors at all after that had been made? Why should they have been required annually to perform what would then have been a mere unmeaning process? Such, however, is the construction under which land-owners have profited, and the revenue has suffered ever since 1692.

Of the effect of this interpretation Liverpool affords a striking example. The now populous district of Everton contributes, or lately contributed, about £12,000 to the income and property tax, exclusive of sums paid by wealthy residents at their places of business in town. But its contribution to the land tax is just *four-*

teen pounds and a few odd shillings per annum ! This is 4*s.* in the pound on land unredeemed, according to its valuation in the reign of William III ; on the present actual value it is some inappreciable fraction of a farthing.

The same inequality, and in most cases the same nominal amount of charges is found in the assessment to land tax in Scotland.

The county of Ayr has the largest amount of real property assessed to the land tax ; but the rate per cent. is only £1 : 7 : 2. The county of Peebles, which is valued at £432 : 2 : 9 ; is assessed at the rate of 16 per cent. But the value of real property assessed to the Income Tax in 1843 is—£531,318 : 18 : 4½, while Peebles is assessed at £74,810 : 7 : 3½. The county of Lanark is assessed to the Income Tax in 1843 at £1,834,998 : 13 : 4, or more than three times the amount of the county of Ayr, yet it pays to the land tax only £1 : 5 : 5 per cent. Edinburgh pays £13 : 7 : 0 per cent. on a valuation of £15,921 : 14 : 3, but the rapid increase of manufacturing industry has added immensely to the wealth of this city, the estimate being £609,483 : 14 : 4 ; but even this has been outstripped by the City of Glasgow, which twenty years ago was estimated at £629,340 : 8 : 10. But the amount of Land Tax charged on Edinburgh by the Act of 1797 is £2,660 : 10 : 6, while on Glasgow it is only £958.

The trouble of getting the figures for these estimates at the present time is so great that, these figures are taken from the 2nd Edition of this book, published in 1857.

What a case would be presented if the assessments to Income Tax were taken in 1870 instead of 1843 !

This is pretty good evidence that the landed interest has been, for a very long time, the predominant power

in Parliament, and it is pretty certain, from the signs of the times that, if the landed interest continue so to exercise its power, the day of retribution is not far distant.

These instances are sufficient to show the absurd inequality and gross injustice of the present system, and that it is quite impossible to establish a sound principle on any such unsound basis.

The Custom of "Aids" has ceased to exist in our modern system of taxation, and of its injustice no stronger proof can be required than in the Land Tax, nor can there be any good reason why it should not now be repealed, to make way for another Act more suitable to the present time, founded on the sound basis of equal taxation of all real property, and all other descriptions of realised property, the annual produce of which can be ascertained and taxed, without resorting to the unholy and demoralising test of an oath.

If it be admitted,—and it is universally admitted,—that a tax on land and houses is a legitimate tax, it must be admitted that, the tax ought to be levied in proportion to the annual value or produce of the property, and then the present Land Tax, added to the Income Tax, is a double charge on this description of property.

It is often heard as an argument for the continuance of the existing state of things that, all purchases of property have been made with the full knowledge of the present Land Tax; but this is no argument against an equitable adjustment of taxation; but with a land tax on land and houses, and also an income tax, an equitable adjustment is impossible. The only way of proceeding for this object is, to repeal all these Acts and begin again on a new system. But this course of proceeding involves the necessity of some equitable arrangement with regard to that portion of the Land Tax which has been redeemed under THE LAND TAX REDEMPTION Act.

The Land Tax already redeemed amounts (or lately did amount), to something more than a million of money. But, whatever the amount, it must be regarded as part of the National Debt, and be dealt with accordingly. It is, therefore, proposed that, a new Stock be created, to be called The Land Tax Redemption Stock, by which all sums of money paid for redemption of Land Tax shall be discharged in the form of Annuities.

By these simple and just means all difficulty on this ground would be removed for establishing one uniform valuation of real property throughout the kingdom, which shall form the basis for all taxes levied upon it, whether for imperial or local purposes.

The process of redemption of Land Tax is nothing more than a transfer of annuities to the Crown, either by transferring so much Stock as will produce an annual amount of interest equal to the sum of Land Tax charged, and *one-tenth* more; or by payment of a sum of money which shall purchase such an amount of Stock in the 3 per Cent. Consols, or in the 3 per Cent. Reduced Annuities, at the price of such Stock the second week after the date of the contract. That is to say, that if the yearly sum of Land Tax to be redeemed shall amount to £100, then so much Stock must be transferred as will produce £110 interest.

Here, then, is no difficulty in re-adjusting this tax, and doing justice to all parties. It is simply a money transaction, and one easily carried out, the sum redeemed being £1,000,000, or thereabouts. Thus, by repealing all the existing Land Tax, and Land Tax Redemption Acts, and imposing a tax on land and houses and other realised property of the kingdom, by an equal rate to be levied on the present yearly value, as proposed, all the accumulated and accruing capital of the kingdom, would then contribute a fair share of taxation to the State, and a principle would be at once established,

which would form an immoveable basis for the security of the public revenue, and the honor and prosperity of the nation.

The adoption of this tax would then enable the Legislature to repeal every Statute relating to Customs and Excise duties, and at once sweep away a heap of tangled rubbish which, like a filthy and fermenting mass is spreading noxious exhalations over every part of the country, poisoning the people, paralysing their natural powers, and producing altogether an amount of degradation and misery incalculable, and otherwise incurable. And not only this, but also much other obnoxious rubbish, in all those Acts of Parliament under which the unequal and unjust Income Tax,—the mean and contemptible Assessed Taxes,—and the cruel and vexatious Stamp Duties,—are now levied.

Let these intolerable and offensive burdens be removed, and who can say what might then be the prosperity and power of this People?

With such a Country and such a People, rich in Nature's gifts, who can say what might be their greatness and their happiness, if once delivered from these oppressive and debasing influences, which are like an over-hanging all-pervading blight, desolating the fair face of the country, paralysing the natural powers of the people, and, through the innumerable crooked ways of evil, demoralising the whole nation?

These are the prospective benefits,—not to be calculated in figures, but to be thought of, to be hoped for, to be looked for, to be aimed at. The People must be made free before they can be made happy, and happy before they can be made good.

The laborer is not free as long as he is deprived of the fruits of his own honest labor, or curtailed in the enjoyment of any of those rights and privileges, which he mainly contributes to support that others may enjoy.

A vast majority of the People are now taxed by the State beyond all proportion to the benefits conferred upon them by the State. To them it matters very little who is the Ruler, if such is to be the rule.

That the sum of Forty Millions and upwards should be raised yearly from the People by Customs and Excise duties is a shame and disgrace to this enlightened nation. It is a violation of justice between man and man, and sets at defiance common sense.

When will it be remembered that, men with their millions are but stewards, or trustees, or what you will, and that, the time must come when they will be held accountable for their stewardship or trust?

When will Rulers of Nations and Law-makers learn that, they will be held accountable for laws which grind down and oppress the poor? Such are the laws which impose the greater part of the taxes on the daily necessities, comforts, and conveniences of life, thereby imposing the greatest burden on the greatest number, who, being the poorest, are least able to bear it, and limiting the few luxuries and comforts within the reach of those by whose labor the nation's wealth is made, and private riches are accumulated.

When will the rich learn that, colossal fortunes and wide-spread misery, are sure signs of something wrong,—that there is something rotten in the State which brings forth such monster evils and anomalies,—found mostly in rude and barbarous nations?

Not that colossal fortunes or their possessors are complained of, but the system which fosters and encourages these monstrous growths at the expense and suffering of those by whose labor they are produced. As Coleridge said:—

“There are errors which no wise man will treat with derision, lest they should be the reflection of some great truth yet below the horizon.”

Well may we be reminded of Lord Bacon's maxim from Scripture,—to “make a stand upon the *ancient* way, and look about us to discover what is the *best* way ;” for, “if time of course alters things for the worse, and wisdom and counsel shall not alter them to the better, what shall be the end?”

No human system, however faultless, can be so framed as to *keep* itself in good order, and *adapt* itself to the changes which time *must* bring to the generations of mankind.

The instances here given show the inequality and injustice of the present system, and that it is impossible to establish a sound system on such an unsound principle.

Why the equal and just law in the Act of William and Mary was not carried out in its true spirit and meaning, it is now needless to inquire, but to carry out that law now, by adapting it, in its spirit and intention, to the present time, can be no innovation.

It is proposed that, similar directions should now be given and like arrangements made, as by that Act, for an assessment of 2*s.* (instead of 4*s.*) in the Pound, upon all real property assessed on the *bonâ fide* rack-rent ; and on personal property, as defined, at the same rate.

To obtain such a Valuation of the Real Property, would be neither difficult nor expensive, nor would much time be required for this, with the Ordnance Surveys and the Surveys and Valuations for the Tithe Commutation, already made.

It appears, therefore, to be for those who object to the proposed scheme for *direct* taxation, to state the ground of their objection. If it be one of *principle*, there can be no difficulty in stating it, and if the principle cannot be maintained in *theory*, it ought not to be carried out in *practice*.

But it is no just ground of objection to show that, by

this scheme all will not be equally taxed in proportion to their means, that not being the principle on which this scheme is founded. It must be first shown that, to tax all in proportion to their means is a just and wise principle, which has hitherto been assumed, but never proved, and is here denied. It must be shown that, it is unjust to those taxed, and injurious to the State, if all be not equally taxed. It is impossible, by any scheme, to tax all equally in proportion to their means, and if it were possible so to tax them it would be both unjust and unwise for themselves and for the State.

This is the question, and it is not to be answered by an opinion resting on the prejudice of long usage,—by the idle and groundless charge of *innovation*, or by the idle and groundless fear of consequences from so great a change,—such as, throwing vast masses of the people out of their accustomed employments, and such as depriving the Government of so much Patronage. It must be shown that, these consequences are necessarily evil and irremediable,—that other and more profitable employments are not to be found,—that such patronage is necessary for good government,—that it is any part of the duty of a Government to find employment for the people. If they do not show all this, they impute great wrong to the Legislature for sanctioning the innovation of Railways, without providing compensation for the vast numbers thrown out of their accustomed employments by that great change in social life.

If the objection be one of *detail* only, the principle is admitted, and there can be no difficulty in adapting the details to the principle. It is not pretended here to define all the details necessary for carrying out the principle in practice. The details may well be left to the Government and the Legislature, but the principle must be settled by the People, if it be ever settled at all.

The more carefully the proposed scheme is examined

in all its details, the more clearly it will be seen that, it is founded on the just and sound principle of making everybody contribute to the necessities of the State in proportion to the benefits received from the State; and that, of the burden to be borne no undue portion will be imposed on any particular class of persons or description of property, but that, the whole burden will be distributed equally over all in proportion to their means for bearing it.

It will be seen from this short review of the Land Tax Acts that, the proposed change in the taxation of the country is no innovation, but only a partial restoration of the Land and Property Tax Acts, passed in the reign of William and Mary, and in the subsequent part of the reign of King William,—“of glorious memory.”

No attempt was then made to tax Incomes, otherwise than as derived from Land and Houses, and from certain specified descriptions of Personal Property, according to the Annual Value thereof, as ascertained by valuation. There was no inquisitorial inquiry into incomes, no demand of returns under Schedules A. B. C. D. E.—no false returns,—no premium on perjury. There was no tax on Stock in Trade,—no tax on the Profits of Trade, or Professions,—no tax on the Wages of Labor.

Wherein is the difference between that state of things, and the change now proposed?

The only real difference is this :—that, the enormous increase in the value of the real and personal property of the kingdom since the tax was first imposed, would enable the State to raise the required revenue by imposing only half the amount of that tax, and to dispense with all other taxes on property. That is the only difference between the state of things which then was and is now proposed to be.

. It was, manifestly, no part of the purport or intent

of those Acts to tax, directly or indirectly, incomes, profits, or wages, as such.

It is no part of the proposed Scheme to tax any of these, as such.

The Gross sum produced by the Land Tax in the year ended 31st March, 1870, was as follows:—

	£.
On Lands and Tenements	1,654,724 : 9 : 5 $\frac{3}{4}$
On Offices and Pensions	237 : 6 : 0
Total	<u>£1,654,961 : 15 : 5$\frac{3}{4}$</u>

POOR LAWS.

The principle of Poor Laws is that, persons incapable of maintaining themselves ought to be maintained by the State,—by means of a compulsory tax.

This principle is false, unless it can be shown that, the persons have been rendered incapable of maintaining themselves by acts of the State. If the Government, both general and local, be of the best form, and in the most efficient order, such persons can have only a moral claim for individual support by charity. In the converse proposition only can they have any legitimate claim on the State.

The main objections to the principle of Poor Laws are, the impossibility of distinguishing between deserving and undeserving objects for relief, the moral degradation of those so relieved, and the injury to those who are *compelled* to provide the relief.

If Poor Laws be in the nature of an expedient to bolster up defects of Government, which are capable of remedy, then the principle is most vicious. Until Government, both general and local, be put into the most perfect order and every encouragement be given to prudence, and until charity be excited by all prudent means, it is too much to say that, any other resources

would be necessary ; and recurring to any other resources prematurely, would be to retard improvement in the right direction. Expedients are easy modes of supplying defects, and for a time often produce apparent benefit, but it is on the slow operation of sound principles only that reliance can be safely placed.

Those who maintain the principle of Poor Laws, maintain it as a permanent principle, to be kept in operation under all circumstances ; because they say all property in civilised countries being appropriated, they who are born into the world and have not the means of providing for themselves, have a right to a maintenance from the property of others. This position is maintained chiefly on the assumption that, anyone born into the world, where all property is appropriated, has greater difficulty in providing for himself than in a savage state ; but the direct contrary is the fact. In any given country, a man capable of labor can more easily command the necessities of life, when it is civilised, than he could have done when it was in a savage state ; but it will be objected that, he cannot, under all circumstances, obtain employment. This objection will be considered presently.

This is the view taken by that clear observer and close reasoner, Mr. Thomas Walker, one of the Police Magistrates of the Metropolis, who, upwards of thirty years ago, wrote and published some admirable articles on this and other subjects in a weekly Paper, called the "Original." As these Papers are not now easily procured, some free Extracts will here be given in his own words.

With respect to persons incapable of labor, whether from infancy, or age, or from inability, physical or mental, he says,—“their natural rights cannot be greater in a civilised than in an uncivilised state, though in the former their chances of provision, independently

of any compulsory maintenance, are much better than in the latter. The advocates for the principle of Poor Laws assert that, children whose parents are unable to maintain them have a natural right to a maintenance from the property of others. If from a natural right is meant the right they would have had in a state of nature, of what value is it, or how is it to be enforced? Being destitute, how are they in a worse condition where property is appropriated, than where it is not? And in the latter case parents are exposed to inability to maintain their children. If then those children are not in a worse condition, they are not entitled to any new right by way of compensation. They could have had no advantages in a state of nature, which give them a right to compulsory provision in a state of civilisation. The truth is, their claims are of a higher nature than any that laws can enforce, and in a well-ordered society are sure to be attended to without compulsion. The same reason applies to the destitute aged and impotent. In a state of nature, where property is not appropriated, there can be no compulsory provision for them, and their chances of voluntary provision are much less than in a state of civilisation. Now as to those who are capable of labor, and who, it is said, are entitled to have employment found them, if they cannot get it themselves, or to subsistence, because all property is appropriated, I answer that, in a civilised state there could be no such class, unless created or permitted by defective government. Where political regulations are such as to give all men fair play, and not to place any unnecessary temptations to improvidence in their way, the same exertion and the same prudence that would enable the savage to exist, would enable the civilised laborer to live well, and to find employment for himself under all circumstances; whereas, the savage, with only the pauper standard of shifting for himself, would be

starved to death. Whatever quantity of destitution there may be in this country or in Ireland, for want of employment, it may be traced to removeable causes; but to provide for that destitution by the adoption of a permanent principle, is the surest way to prevent the causes from being removed."

No words can better enforce the principle that, "whatever is morally wrong cannot be politically right." The standard of morals, individually, will soon be raised too high to admit of anything like a class of paupers, and there will be no destitution, for the relief of which the funds of private charity will not be far more than sufficient. The conclusion is that, Poor Laws are not founded on any natural right, but that they involve only a question of expediency; and that, no system of management will be ultimately productive of benefit, unless it has for its object the abolition of the principle. As an expedient, nothing can be more fatal to the object than compulsory relief by the Poor Laws, for it not only prevents the causes from being removed, but it multiplies the causes and makes their removal impossible by its demoralising effects. Moreover, there is another point of view in which the principle of Poor Laws is false and injurious, and that is, they can be an expedient only to supply the deficiencies of wages, or the waste of improvidence.

If wages be high enough to support the whole class of laborers, Poor Laws only encourage improvidence: if wages be not high enough, Poor Laws operate to prevent their becoming so. Temporary want of employment can be no good argument for the adoption of a permanent principle, and permanent want of employment is a sign of over-population, which can only be the result of improvidence, for which the Poor Laws are not the remedy.

Pauperism is a state of dependence on parochial

relief, and operates as a bounty to improvidence, at the expense of the provident and industrious. It may be said that, the effect of the Poor Laws is to establish a Benefit Society in every parish. But in Benefit Societies the tax is voluntary and equal, or fairly proportioned, and is managed by the contributors themselves; though with all their precautions there is this acknowledged objection that, the worst members generally receive the most advantage. But where wages are taxed by the parish, the tax is neither voluntary nor equal, but most unfairly proportioned; nor have the contributors any control over the distribution, but are made to apply for their own as if they were depending upon others. The attempt to keep down the price of labor, by reserving a fund for those who have the greatest calls, appears practicable at first sight; but, in reality, has invariably the effect of increasing those calls beyond the capability of the fund to answer, and, therefore, the price of labor is raised instead of being reduced. To tax unmarried laborers for the benefit of the married soon increases marriages, so as to make the tax insufficient; and the more it is raised, the greater is the insufficiency, and consequently greater the demand upon some other fund. The Poor Laws say to the laborer;—You need take no thought for yourselves or your children. But what does Christianity say? St. Paul, speaking not for the rich, but of the poor, says;—“If any provide not for his own, and especially for those of his own house, he hath denied the faith, and is worse than an infidel.” Immediately after, he states to whom the voluntary contributions of the charitable ought to be distributed.

Enormous as is the annual amount of the expenses of pauperism, directly and indirectly,—nearly the whole of which might be saved, to say nothing of the demoralising consequences, which cannot be estimated in

money,—it is not nearly equal to the amount to be expected from the improvement of property that would soon take place, if the habits of the laboring classes were raised as they would be by the abolition of Poor Laws and consequent self-dependence.' By reducing working hours and extending education, by rendering the various offices of labor as little irksome as may be, and bringing as nearly as may be the direct wages of labor to the cost of labor, the standard of comfort of the working classes would be raised, and pauperism and crime would be very greatly reduced.

In a very interesting work, lately published, called "Recess Studies," edited by Sir Alexander Grant, there are some remarks in an Essay on "The Laws of Supply and Demand," by Professor Fleming Jenkin, so applicable to this view of the evil effects of the Poor Laws that, I give them here in the author's own words, extracted from different parts of the Essay:—"Every action which tends to make the laborer put up with less comfort or less security, tends to lower his wages. Teach him nothing, so that he wants no books nor other pleasures of the mind; abolish bodily amusement, so that he expects no pleasures of the body; accustom him to live like a beast in a hovel; remove all fear of absolute starvation by a Poor Law; use the same machinery to persuade him that he may, with a good conscience, desert helpless children or old parents; give him little doles at every pinch lest he be tempted to rebel;—do all this and your dull aimless wretch will plod from day to day, expecting nothing more, and spawning swarms of wretched beings to succeed him in his hopeless contentment with a pittance." . . . "Discontent with that which is vile is the mainspring by which the world is to be moved to good. Contentment with degradation is a vice—a vice only too difficult to eradicate." (Page 181-2).

Again :—" Strange, therefore, as the doctrine may sound, it is the wants of men which regulate their wages ; and this is a simple deduction from the principle that, the cost of production ultimately determines prices. Where wants are few and simple, there wages are low ; where wants are numerous, wages are high ; and it is the wants which raise the wages, not the wages which have created the wants ; pay a savage more than he is accustomed to, and he simply squanders the money. But while the wants of men determine their pay, it is the demand for men of that class which determines how many shall be employed at that pay. This is the corrective to discontent. If their wants are great, few or no men of the given class may get any pay at all. It is the seller of labor who determines the price, but it is the buyer who determines the number of the transactions. Capital settles how many men are wanted at given wages, but labor settles what wages the man shall have." (Page 183-4).

Again :—" Convince these paupers of their own misery. Teach them what comfort is, and a rational self-interest will lead them to independence, which the more wealthy have reached by the same path. Rational self-interest has done most things in this world, the great duty of the teacher being to distinguish rational from irrational self-interest. Whatever school of religion or philosophy we belong to, we cannot deny that, each man, acting rationally for his own advantage, will conduce to the good of all ; and if the motive be not of the highest, it is one which at least can always be counted on. It were a poor world if higher motives were banished ; but in looking to the improvement of the pauper it is well that we may count on a motive which is at least effectual. We need only teach men what they should desire, and excite in their minds a real disgust at their miserable condition, in order, by

the very laws of price, to create the Utopia of labor, where all men shall get a fair day's wages for a fair day's work, by which vague phrase the workman means that the pay for his labor shall buy him enjoyment as well as bread."

Every sentence in these extracts is so true, every word is so well chosen, and the whole is so conclusive that, it would be well for mankind if the Essay from which these extracts are taken were printed in every language of the earth. I entreat the attention of every reader of the "People's Blue Book" to these extracts, for they establish the truth of every principle here laid down, with a distinctness, conciseness, and force rarely to be met with in modern writings. More particularly I invite attention to these extracts as applicable to the present condition of the working classes in Ireland, whose standard of comfort generally, and especially amongst the small farmers and agricultural laborers, is, for personal comfort, below the standard of savages. I will not carry the comparison further, but the effects of this low standard are seen in the present condition of that most miserable country. Let the worst be imagined, and it will not be beyond the truth.

Though the sum annually raised on account of pauperism is so large, yet real pauperism is much less than is generally supposed; and of that a large proportion is directly produced by the certain anticipation of a provision from the parish. All the money raised by the poor rate, except the money laid out for the actual maintenance of paupers, is wasted, as expenses of the system, and if the system ceased, of course, these expenses would cease.

From the number of real paupers are to be excepted, 1st., The few who have property but conceal it:—2nd., The more numerous class, with competent friends, who could assist them, but do not choose to save the parish:—3rd., The large class who feign inability to perform or

procure labor:—4th., All those who by any other species of imposition or abuse wrongfully participate in the parish fund: and lastly, the immense number who receive part of their maintenance from the poor's rates. So far as these classes are concerned, no inconvenience would result from the immediate abolition of the Poor Laws. With respect to those who are really paupers, but have become so from the certain anticipation of a provision from the parish, these may be reckoned; 1st., Those to whom property has at some period of their lives come, but who have wilfully run through it, their habits having been previously formed according to the low standard of the Poor Laws: 2nd., The numerous class who have had opportunities of accumulating, but who have wasted their means with a fixed determination eventually to have recourse to the parish: 3rd., Those whose determined pauper habits have disgusted their friends: 4th., Those who have incapacitated themselves from labor by dissolute habits, contracted from a reliance on parochial assistance: 5th., Those (a very numerous class) who, from perverseness of temper, have wilfully brought themselves upon the parish: 6th., Those who married from a reliance on the rates: 7th., Hereditary paupers; those who have been in the habit of depending upon the poor's rates from the remotest periods, and think they have acquired as good a title to the parish fund as the land-owners have to their estates: 8th., Those who have been persuaded by other paupers to become paupers: 9th., Those who have been made paupers by their compulsory payments to the poor's rates.

These different classes are not enumerated from theoretical inference, but from the practical observation, and it is obvious that, so far as they are concerned, the Poor Laws might be made to cease with the next generation without inconvenience.

It is a great mistake to suppose that, there is any

humanity in the Poor Laws. The result is the very reverse of humanity. If wages be not sufficient, the Poor Laws are only paying what is due in a degrading and cruel manner. If wages be sufficient, the Poor Laws hold out a provision to improvidence and all its desolating evils. Any improvement in means would be wasted, or worse than wasted, unless the standard of comfort be raised and accompanied by a corresponding improvement of habits. It is lamentable, but true, that, to the improvident population of large towns, and to the pauperised laborers of most of the agricultural districts, any facilities for maintaining themselves, beyond drudgery for the bare necessities of life, only make them work the less and multiply the faster. Of providing any resources for casualties or for old age, they have no notion. It is this state of things which makes it so generally believed that, the system of Poor Law cannot be dispensed with. Those who hold this opinion do not look to a sufficiently high standard: they see that, improvidence is the present characteristic of the laboring classes, and that the improvident, as a body, will not labor unless compelled by necessity: therefore, it is concluded that, the bulk of mankind must be kept on the verge of necessity, or that the requisite labor will not be performed. This is a most erroneous conclusion, and to expose this most serious error, and to show the remedy, is the present object. The most efficiently industrious are those who, having fixed their minds upon securing comfort and independence, are constantly intent on the means. There is no reason in the nature of things, why the requisite habits should not be made as prevalent as the opposite ones now are. If there were no poor's rates, but more prudence, and wages were sufficiently high to enable the laborer to provide for old age and to bring up decently the average number of children, allowing for the ordinary casualties, then where there were more than the average num-

ber of children, or extraordinary casualties, the resources would be a certain degree of privation, and, beyond that, the voluntary assistance of those around.

Where there is general comfort, a few cases of poverty, (not pauperism) so far from being considered burdensome, are not only cheerfully but eagerly relieved. These are the legitimate objects of charity, and as they excite the kindly affections, and repay them with gratitude, they tend to increase the general stock of virtue and happiness. But the Poor Laws, by serving to debase the one class, and to make the other believe such debasement inevitable, greatly retard any material improvement. They keep up a race of paupers even under the most favorable circumstances. It is the nature of pauperism to infect, and it is the study of paupers to make converts. Experience teaches them that, it is the tendency of numbers to increase their pay and decrease their degradation. By numbers they over-awe and tire out those whose interest it is to control them: by numbers they diminish the examples of independent exertion. They are consequently assiduous in every act of recruiting their ranks and preventing desertion. It is little known by what persuasion, threats, derision, and intrigue, many healthy spirits are corrupted, and how many by the same means are prevented from emancipating themselves.

As long as there is a permanent fund it will continue to be so. The greater part of the population is kept too near the verge of pauperism, with unsettled habits and downward looks. They are so habituated to what is low, that any partial scheme for their improvement advances slowly, is eyed with suspicion, and generally ends in decay; and it may be laid down as a maxim that, in every political institution, the tendency of which is to induce other than self-dependence, abuse is unavoidable, and that, if it were not, still the results could never be beneficial.

There is a dread, with some persons, that the laboring classes may be made so prudent as to become independent of work, or so refined as to be above it, or that their habits may be so raised as to require exorbitant wages. That individuals may become independent of work is very true and very desirable; but that very circumstance will always hold out sufficient temptation to ensure a supply of laborers. With respect to an increase of refinement, the error arises from taking the effect of transition for permanent effect. Where partial improvement is going on, the few who are the first to partake of it are very likely, as the phrase is, to give themselves airs and to appear above their work; but it is not the nature of their acquirement, but the newness of it and the distinction, which produce the evil. The individuals are not above their work, but above their fellow-workmen. As soon as the improvement becomes general the inconvenience ceases.

It is a common complaint, on extension of education, that female servants become difficult to be met with and difficult to be managed; but in those parts of the country where the same extension has long existed, no such complaint is ever heard of.

With respect to refinement, it should be remembered that, the offices of labor are almost universally capable of being rendered much more agreeable and respectable than they have been or are. The first step to this should be in the improvement of the homes of the laboring classes. Their habits are not likely to reach refinement in their present homes.

If raising the habits of the laboring classes lead to the raising of their wages, so much the better, provided habits be raised in proportion to wages. The wages of labor may be augmented without increasing the cost of labor. The millions of money now spent yearly on the idle and vicious poor, and on prisons, penitentiaries,

and reformatories, may be better spent in removing the drawbacks upon the enjoyments of this beautiful world, arising from the ignorance, grossness and dishonesty of the laboring classes. For this purpose scarcely any expense can be too great.

By improving the wretched homes of the poor laboring classes and raising their standard of comfort they would be lifted out of their disorderly habits of ignorance and vice, whence spring and spread unceasingly infection and death in its most appalling form over town and country. We might then hope that, these terrible evils, by which the natural law works out the intended good, would disappear under the blessed light and pure air from heaven.

Can any expense be too great for such a purpose, by which so much misery might be spared, and the average length of human life might be prolonged to the blessing and enjoyment of all classes?

To those who have carefully considered the subject from these points of view, it must be apparent that, the Poor laws have inflicted and are inflicting incalculable injury not only upon the poor, but also upon all classes of the people, from the highest to the lowest, and upon the whole Country, by increasing pauperism and retarding the desired end.

These evils have also been greatly increased by public charities, which create the necessity they relieve, but do not relieve all the necessity they create. This is now being exemplified in the London Districts, particularly in the western districts of London, where Committees, appointed by a Charity Organisation Society, meet for organising Charitable Relief and repressing Mendicity in the Metropolis. The honorable and well meaning Gentlemen, who have responded to the invitation of the Poor Law Board to come forward to the relief of the Poor Rates generally, and who are urgent to have

handed over to them the money of others, to be distributed in charity for them, have taken upon themselves an astonishing amount of labor and expense for very mischievous consequences. They have collected considerable contributions, and with the funds so collected they have established offices in their respective districts, with unpaid Gentlemen-Clerks, paid messengers, and enormous Books.

In these books are entered the names of all applicants for relief. The applicants are brought to the Office by printed tickets, freely issued by the District Board, and freely distributed in the streets to all the poor.

These boards hold their weekly meetings and examine the entries in their Books of the names and particulars of the applicants, and direct inquiries to be made into the truth of the statement of each applicant, by Messengers in the town, or by letter in the country. When the answers are received to these inquiries, relief is given or refused, as the applicants may be deserving or undeserving objects.

At the commencement of these self-elected Boards of Assistant Poor Law Commissioners, the Writer was invited to join the Board in whose district he resided. In answer to their invitation he attended the Board personally and explained his objections to their proceedings. He then foretold the inevitable consequence, and, being inevitable, it followed. Intelligence of these freely distributed *relief tickets* spread quickly, and vagrant tramps from all parts of the country soon afterwards reached London in crowds. Amongst these crowds were agricultural laborers who had thrown up their poor employments and hard work to better themselves without work,—dismissed servants,—small shop-keepers broken down by taxes and poor-rates,—the drunken vagabonds, the improvident and dissolute,—the old and the young,—the lame and the blind,—the helpless

beggars and wanderers in all the varieties of destitution and misery,—all came pouring in to increase the chronic state of destitution and misery in London. In the very first following winter, the increased number of destitute beggars and objects of disgusting misery in the streets of London was the general remark. How could it be otherwise, where relief was to be had for the asking?

Poorly paid laborers in the country came with these crowds to London, in the hope of obtaining the means of subsistence on easier terms.

Such was the experiment made on the suggestion of the late President of the Poor Law Board, and such was the result.

Works of Charity by Societies, however well intended and however well administered, can never effect the real good of well administered private charity. The real and well deserving objects of charity are not to be found out by Poor Law Boards, or Charity Organisation Societies. The real and deserving objects are to be found only by personal knowledge or private enquiry, and to be relieved only by private charity. The relief is then satisfactory to both parties, and the benefit is conferred without the injury. But when relief is conferred by the invisible hand of the Law or by the unknown hand of an association, there is no gratitude and comparatively little satisfaction to either party; but there is great injury done to others.

Now for the conclusion to be drawn from all these remarks. What other conclusion can be come to than that, the Rates and Taxes are depriving the working classes of a large portion of their wages of labor, and that, the Poor Laws are degrading and demoralising the people for whose relief these Laws are made, and, moreover, are spreading pauperism over the whole kingdom?

Who can contemplate, without the most serious apprehensions for the consequences, the continuance of the system which works such evils?

There is a limit to the loyalty and forbearance of an ignorant and suffering people.

If the owners of taxable property would take upon themselves the whole burden of taxation, the burden they would have to bear would be less than their present share, and they would hold their possessions on a safer title than they now hold them, by removing the indefensible evils of our present system.

This would cut away the ground from under the "Land Tenure Association,"—the "International Association," and all other Associations of the false philosophers and political cobblers of these days, who, by their thievish theories and plausible principles are now entrapping the ignorant and unwary into their schemes for undermining the rights of property and the very foundation of civilised society.

To expose these evils and to show the remedy is the present object.

In the Pall Mall Gazette of 11th January, 1872, is an article on this subject, so applicable, from another point of view, to these remarks that, it is given in the following extract:—

"The contrast of principle that exists between the system of poor relief in Holland and in England is very remarkable. Dutch legislation recognises no claim on the part of the poor for the means of supporting life. The State in Holland regards the care of the poor as the duty of the Church or of the municipality, and only in exceptional cases interferes in the matter. Every religious body through its special officers relieves its poorer members, and in every city, town, and village there are relieving agents who dispense, without regard to denomination, the moneys of the communal fund.

Vagrancy and pauperism are nominally offences against law, but the law is seldom put in force. In fact, the greatest leniency is extended towards the pauper, and every encouragement is given to churches and to individuals to expend their wealth on his support.

“The result is at first sight very pleasing, and the ear is not shocked with those tales of misery and starvation with which we are tolerably familiar in England. But when we come to examine the effect of the system upon the population generally, our favorable impressions are quickly dispelled. In Holland, as in England, benevolence is often blind, and is the more injurious because it is the primary source from which the maintenance of the poor is derived, instead of being, as with us, a merely supplementary source. Pauperism, therefore, has been for many years steadily increasing, and the latest writer upon the subject asserts that, ‘nearly one-fourth of the total population of the country is dependent.’ In 1868 the cost of the maintenance and relief of the poor in Holland amounted to about one million sterling, not quite one-half of which sum was spent by religious bodies on their own poor, and by associations formed for special objects. In the same year the number of persons in receipt of out-door relief was 675,000, besides about 60,000 who were assisted in some way or other by charitable institutions. It should be borne in mind that the entire population of Holland does not exceed one-sixth of that of England and Wales.”

This opposite, but not less injurious, Dutch system is a striking illustration of the impolicy of the English system of dealing with the poor; both weakening those feelings of independence in the human mind so essential or sustaining self-respect, and for discouraging improvident habits. But the Dutch system is more injurious than the English system, by making Charity the primary

instead of the secondary source of relief, and making the law against pauperism of no effect.

As long as the State makes paupers by taxing the necessities of life, thereby taxing the laborer in his own labor, the poor have an unquestionable right to legal relief, but when this ground is removed, the poor will have no claim to legal relief, and the precariousness of individual charity will then be their best protection against needing it. But the State now has, and always will have just ground for taking possession of all neglected and deserted Children, and making them "CHILDREN OF THE STATE," to be maintained and brought up as such at the expense of the State, and to be trained as soldiers and sailors, or otherwise employed in the service of the State.

This suggestion was thrown out, for the consideration of the Government, in the first Edition of this Book, fifteen years ago, and has been since partially adopted, in the training ship at Portsmouth, and in the ship, appointed for the like purpose, in the River Thames, open to the voluntary contributions of those so disposed.

In France, where there is no statutable provision for the destitute, but relief is left to private benevolence, exercised under State superintendence, the system is no better, but worse.

Any attempt to provide compulsory relief to the poor is an error, because it must lead to far greater evils than it can prevent.

Charity, without discrimination, encourages idleness and improvidence, and by no human ingenuity can a law be framed to enforce that degree of discrimination which is essential for charitable distribution without injury.

Society can no more prevent wilful starvation than it can any other form of suicide.

Any attempt to secure the working-man against want, is an interference with the jurisdiction of Providence.

Society undertakes to give him what his Maker has denied him, *i.e.*, subsistence without labor.

The effect of charity in depressing the condition and character of the independent laborer is very clearly seen in those places which have been cursed with large charitable endowments. When, as in these cases, the charitable income is fixed and ascertained, the evil is limited to the exact number of indolent and improvident persons who get their living out of that income. But when the stream flows, not from the misguided old merchants trust fund, but from the vast reservoir of the whole rateable property of the metropolis or great city, supplemented by the numerous rills of voluntary contribution, then pauperism enlarges her mouth and all the idle thirsty flock up from the country to drink of these flowing waters, which flow for them without money and without price.

The ignorant poor of the provinces see in this resource a pretty safe guarantee against the evil possibilities which might otherwise deter them from leaving their own neighbourhood and their daily tasks to see if "Lunnon be really paved with gold."

There is no limit to the numbers which might thus be attracted to London, but for the impossibility of lodging them; and even this protecting obstacle we are doing our best to remove by the construction of Casual Wards in every Union, in which hundreds of the houseless can be sure of obtaining a night's rest and two meals.

Of these so called *houseless*, not one in a thousand is really houseless, and of those who are really so,—if a searching inquiry could be made,—all would be found to have made themselves so, by their idleness, improvidence, and habit of drunkenness.

These are the *Suicides* whom we are encouraging by the Poor Rates, in open opposition to the manifest law of Providence, who has made self-preservation the very mainspring of His creatures life and conduct.

If we must have a Poor Law, it should be, in the meaning and spirit of the original Statute of Queen Elizabeth, confined to the aged, infirm, and helpless children, and under no circumstances should relief be extended to any others, and to them only in the Poor House.

Every beggar and idle vagrant should be taken up as a "rogue and vagabond," and imprisoned for, at least, 48 hours, in the House of Correction, and be set to work at forced labor, receiving, at the end of his imprisonment, half the amount of his wages. For the second and third like offence the term of imprisonment should be doubled and trebled, and so on in such proportion.

Under this treatment mendicancy and vagrancy would soon disappear.

But before this experiment can be fairly tried, the laborer must be in possession of the full wages of his labor, without any deduction by *indirect* taxation.

The Charity Organisation Societies may then occupy themselves harmlessly with their work, and Charitable Ladies may then go on making cheap Soup and Australian Meat Puddings for the Poor, without any of the present mischievous consequences.

The Metropolis teems with ignorance and pauperism; its paupers reach 150,000; its totally untrained and uneducated children no statistics have yet accurately numbered; yet the sums annually distributed or available for charitable purposes would suffice to extinguish destitution, and to instruct the whole poor population of London.

These funds amount to the enormous figure of seven millions and a half; enough,—(as Dr. Hawksley has shown in "The Charities of London")—assuming that, one-eighth of the population, or four hundred thousand persons, are wholly destitute,—to allow eighty-five

pounds per annum to every such family for sustenance and education. Yet the evils, against which all these vast resources are provided or can be directed, go on increasing from year to year.

Whilst these pages were in the Printer's hands, the Author stopped the Press to add the following extract from the *Quarterly Review*, January, 1872, page 252.

"None of us are more perpetually or more obviously on a false scent than the working-classes and their leaders; and in no case is error so mischievous or so formidable.

... "They are wrong only in the causes they assign, and the remedies they would apply. We sympathise with them in every fibre of our frame. We are ready to paint their wretchedly unsatisfactory state and prospects in language as strong as any of themselves could use. We agree with them that their condition is an opprobrium to half the countries in Europe, and more especially to our own. Millions of them lead a life which intelligent beings should not consent to live, and exist in a condition of struggle and wretchedness which makes existence a burden and not a boon. They have a right to be discontented. They do well to be angry.

... "The rectification, speedy and thorough, of the evils of their condition, is the first duty of every statesman, and the most urgent necessity of every State; and all legislation which does not address itself, mediately or immediately, to this supreme purpose, is of secondary moment, and involves a postponement of higher to lower claims. The improvement, the rescue, the comfort, the well being (in every sense) of the classes of which we speak, constitute the primary obligation of all who influence opinion or rule the country; first, because these classes are the most numerous; secondly, because they are the most helpless; thirdly, because they are the most unfortunate and suffering;—and we share to the full in the

burning indignation they express when questions vital to their interests are pushed into the back-ground to let party conflicts have a fair field to fight in. So far we go along with the loudest and most violent of their leaders. But there we part company as widely as may be. Our indictment against these leaders is, that they systematically and persistently, and ignorantly even if honestly, divert the people's attention from their real grievances and the true causes of their sufferings, and urge them to measures and objects either wholly irrelevant or certain to aggravate what they seek to cure. They are for ever hounding the people on a false scent, guiding them away from the right track, misinforming them or blinding them as to facts, misteaching them as to principles, and confounding their perceptions as to friends and foes."

These are the opinions and feelings of the Author, often before expressed in these pages, but never so well expressed as in this Extract.

Nothing further need be said.

OPINIONS OF SIR ROBERT PEEL.

Whatever may have been the real opinion of Sir Robert Peel on the Free Trade Question in the earlier part of his political career,—that his views underwent a great change in the latter part, will be seen in the following communication to the inhabitants of Elbing, in Prussia, in answer to their address to him, approving of his great measure of financial and commercial reform. This document, dated 6th August, 1846, is so highly creditable to the memory of Sir Robert Peel, and may now be read with so much satisfaction by his admirers, and with so much instruction by all parties, of all opinions, that the whole is here given in his own words:—

"Your address, in which you express your approba-

tion of the great measure of financial and commercial reform which I have considered it my duty to lay before Parliament, I have received with great pleasure. The object of the Income Tax was, not only to make good a deficit, but also to lay the foundation of a more just system of taxation, by *putting an end* to duties before levied on raw materials, as well as those vexatious regulations of the Exeise, and the duties on many kinds of produce necessary to the comfort of the working classes.

“The Bill, having for its object the limitation of the paper currency, has in no way affected public or individual interest, nor has the country thereby been deprived of the advantages of paper circulation; but, in placing the issue of this medium of exchange under certain reasonable restraints, the Bill has been the means of checking abuses in times of great critical importance to the commercial interests of the country, as well as of unusual speculation. This Bill has given to paper money a settled value, in making it always exchangeable with specie. I learn with pleasure that the interest and effect of these measures have been properly appreciated by distinguished politicians of other countries. That part of your address wherein you admitted the principle of commercial legislation, which, by order of Parliament, is now in force, has afforded me, above all this, the most lively satisfaction. The measures proposed, for the diminution of Custom-house duties, have been brought forward without any similar concessions having been offered by foreign countries; they have been proposed because the general interests of the country demanded it. Their effects are sufficiently advantageous to fully justify the step we have taken; for it is contrary to the principles of political economy to purchase, at a dear rate, articles of inferior value; and the authors of this measure have thought, without entering into negociation and minute detail, that the principles of their commer-

cial legislation would be adopted by other nations. Difficulties and obstacles may arise, and financial embarrassment, which appears to be the strongest argument in support of the protective system will, in certain countries, be advanced as a reason for continuing it. Individuals who profit by high duties are favorably listened to by Government; in other cases they form the most numerous part of the population, or, at least, a powerful party in the legislative assemblies.

“Interests are thus represented *en masse*; but this isolated interest cannot long offer resistance to the arguments and manifest interest of the great social body. The public financiers labor under a double disadvantage; first, by the prejudice with which they are regarded, and the consequent support offered to smuggling; and, secondly, by the great expenses incurred in its suppression; so that, eventually, it will be seen by those who are responsible for the financial condition of their respective countries, that it is prudent and politic to replace, by such moderate duties as will permit the commerce and revenue of the country to increase, those high duties which either diminish, or altogether prohibit, the importation of foreign produce, and sustain certain branches of trade at the expense of the public finances.

“The social condition of that country which maintains with the greatest rigor the protective system, will be opposed to the state of another which has adopted *liberal* principles, and the conviction of the *value* of such principles will not obtain, unless by the encouragement of the freedom of exchange amongst all the nations of the world; the well-being of each individual will be increased, and the will of Providence will be fulfilled—that Providence which has given to every country a sun, a climate, and a soil,—each differing one from the other; but, on the contrary, in order that they may feel their reciprocal dependence by the exchange of their

respective produce, thus causing them to enjoy in common the blessings of Providence. It is thus that we find, in commerce, the means of advancing civilisation, of appeasing jealousy and national prejudice, and of bringing about a universal peace, either from national interest, or from Christian duty."

It may be interesting to some, at this time, to take a further retrospect of the altered views of Sir Robert Peel on these questions, as first declared by himself in Parliament, and to try these by the results of subsequent experience. The following is an extract from his speech in the House of Commons, on introducing his change of policy in his Customs Acts Bill, 10th May, 1842:—

"Speaking generally, we have sought to remove all prohibitions—all absolute prohibitions—upon the import of foreign articles, and we have endeavoured to reduce duties, which are so high as to be prohibitory, to such a scale as may admit of fair competition with domestic produce.

"In cases where that principle has been departed from, and prohibitory duties maintained, then we justify our departure from the rule by special circumstances of the case; but the general rule has been to abolish prohibitions, and to reduce prohibitory duties within the range of fair competition. With respect to raw materials, which constitute the elements of our manufactures, our object, speaking generally, has been to reduce the duties on them to almost a nominal amount. On half-manufactured articles, which enter almost as much as the raw material into our domestic manufactures, we have reduced the duty to a moderate amount; and, with regard to completely manufactured articles, our design has been to remove prohibition, and to reduce prohibitory duties so that the manufacturers of foreign countries may enter into a fair competition with our own. I still entertain that confident belief and expectation which I expressed

on first intimating the intention of Government as to the tariff, that the general result of it will be, if adopted by the House, materially to diminish the charge of living in this country. If you say to me that, we do not make sufficient reductions on particular commodities which are material items in the expenditure of a private family, I am quite ready to admit it, as far as relates to individual articles; but I speak of the general effect of the tariff as proposed by Her Majesty's Government. If there be any truth in the principle either of trade, or of arithmetic, I contend that its inevitable effect must be, to give great advantages to all classes of consumers, and to make considerable reduction in the cost of living. Taking the reductions on raw materials, or half manufactured goods, I am persuaded that the general result will be, to make a considerable saving in the expenses of every family in the kingdom."

On the same occasion, to show the delusive characters of high duties, Sir Robert Peel said:—

"There is another and an exclusive ground, on which I vindicate a reduction of the high duties on articles of manufacture. I say that, these high duties are a mere delusion, that they do not constitute a protection to the British manufacturer, and that, in looking to these duties for protection, he rests entirely upon a fragile and faithless support. The check to their operation is, the smuggler. It is a mere delusion to tell the home manufacturer that you levy a duty of 35 or 40 per cent. upon the importation of foreign manufactured articles, if he be robbed of that apparent protection by the importation of the same articles in an illicit way, consequently, I think I can conclusively show that, there is no reduction proposed, with respect to foreign manufactures, which I cannot vindicate on this single and exclusive ground that, the duty remains at last as high as you can possibly levy it, without calling in the interference of the smuggler."

Again, to show the effect of prohibition in checking improvement, in a debate on a petition presented by Mr. Baring, against the removal of the prohibitions on foreign silks, so far back as 5th March, 1824, Sir Robert Peel said:—"The honourable member has said that, in the silk manufacture, Great Britain is inferior to France, in point of taste and machinery. Now, does not this fact lead to the suspicion that, on account of our prohibitions, the same improvements have not been made in all others? Let those prohibitions be removed, and our taste and our machinery will speedily improve."

Again, the opinion of Sir Robert Peel on the timber duties will now be read with interest. In the debate on Ways and Means, 23rd March, 1842, he said:—"I am prepared to contend, if the country can make any remission of taxation, that there is not a single article in the tariff upon which a reduction of duty would tell with greater effect, in encouraging the industry of the country, than the article of timber. . . . The ancient policy of this country was, to encourage the importation of timber at a nominal, or a very small, duty, as was recommended by Mr. Deacon Hume. Up to 1795, in the midst of war, the whole duty on foreign timber was only 6s. 8d. the load, of cubic feet, the governments of that day considering wood in the light of a raw material, entering into almost every species of manufactures, and, consequently, deeming it expedient that a low duty should be imposed. It was not, therefore, until the hottest of the war, that wood was subjected to increased taxation. Why, then, Sir, is not my proposal in accordance with the ancient principles of our taxation, at the same time that it is calculated to benefit the consumer, and confer a greater benefit on him than he could obtain from the proposition of the right honourable gentleman? I again, then, repeat my conviction that, if I can *secure a tax on*

the property of the country, and reduce the timber duty, I shall do more to restore activity to our trade and commerce, and to benefit the population of the country generally, than by any single measure that I could propose to Parliament. And before honorable gentlemen decide on this point, I wish they would read the evidence, given before a Committee of this House, with respect to fisheries. They will find, by reference to the Reports of the Committees on Import Duties in 1805, and in 1840, that our fisheries are represented to be subject to very great disadvantages in consequence of the existence of this timber duty. I would refer gentlemen particularly to the evidence given by Mr. John Mitchell. Let them attentively consider what he says, as to the superiority of the humbler classes of Norway, to those of our own country, arising solely from the cheapness of wood. Then again, I would ask gentlemen to read the evidence as to ship-building. They will find it stated under that head, that the timber duties are acting most injudiciously to the interests of our ship-builders, and that even the trade of the country in ship-building is leaving us on account of the existence of these duties. Therefore, I say, that my proposition is one of the best measures for the consumer, the ship-builder, and the country generally that it would almost be possible for me to propose."

And again, on the same subject, in the debate on the Report on the Income Tax, 8th April, 1842, he said:—"If there be any article which enters more into the common consumption of the people than another, and which ought, if possible, to be exempted from taxation, it is this very article of timber. The proofs, which I have before me, of the effects which the cheapening of timber would produce in the encouragement of local improvements, and in the promotion of the building of bridges, and of piers, are so convincing and over-

whelming that it is almost impossible to resist the necessity of reducing the duties on timber. What increased sources of employment will not the measure open to the working classes! We hear of the distress of the shipping interests—of the immense importance, commercially and politically, of reviving the prosperity of that interest:—how can we do so more effectually than by facilitating the purchase of timber? If we enable the ship-builder here, to compete with the ship-builder abroad, to how many men shall we not give employment? What vast sources of maritime strength may we not expect to accrue to us! Has not the high price of timber been a great impediment to the construction of houses? Has it not affected the very mode of building? What has been its influence upon the construction of cottages? I take the cottages of the poor in Ireland, and I ask, can any honourable member, who has read the evidence laid before the House on that subject, say that, that evidence does not contain the strongest possible proof that, no want is more severely felt in Ireland, than the want of timber? The high duty also operates most injuriously upon British fishermen. Owing to the better construction of their boats the foreign fishermen enjoy a monopoly of fishing in deep seas. Reduce the price of timber, and you at once enable our fishermen to compete with them, and thus give the means of employment to a large number of men. . . . By adopting my proposition with regard to timber, we shall increase the demand for productive industry, whilst, at the same time, we shall indirectly increase the revenue.”

And again, on the subject of tallow, in the debate on the Soap and Tallow duties, 15th March, 1836, Sir Robert Peel said:—“I will not consent to increase the duty on tallow, in the present condition of this country, for many reasons. How can we expect that the portion

of our manufactures which depends for success on a foreign market can thrive, if we do not permit a reciprocity of commerce: and if, on the contrary, we increase the duty on the raw material in which foreigners are able to pay us? I am not able to perceive any sufficient cause which operates to warrant an exception in the case of Russian tallow, to the general rule. The relative position in which Russia stands to this country ought to receive particular attention. She comes very little into competition with our commerce. She does not interfere with our manufactures in foreign markets. She sends us raw material, and takes our manufactured article in return. And were we to raise the duty on tallow, where would be the advantage to ourselves? Unless the proposition extended to foreign oil, as well as to tallow, the expected advantages would not result to the agricultural interest; and if the former article were also saddled with a protecting duty, it would have a serious effect on a branch of our manufactures that could hardly endure it. Candles would inevitably rise in price; and, were we to consider how much this would interfere with the means, the comfort, and the remuneration, of the hand-loom weavers who work so many hours by candle-light, we should pause before we created such an additional embarrassment to the extensive branch of manufactures carried on by its assistance. By acceding to such a measure, it is clear that we should interrupt the course of commerce which now happily exists between this country and Russia—should interfere with the market it affords to our present manufactured produce, as well as with the raw material which supplies an important article for our manufacture—and should also increase the expense of candle-light, so necessary for our manufacturing purposes,—consequences that would not at all repay us for any possible benefit that might immediately result to the agricultural interest.”

On the subject of the Silk duty, in Committee on the Customs Acts, 13th June, 1842, Sir Robert Peel said:—“I cannot deny that the proposed duty upon manufactured silk is high, and I admit that great advantages would result from a reciprocal commercial intercourse between this country and France. I trust, however, that, looking to the state of the negotiations between France and England, the House will not press the Government too hastily on this point. . . . It would not be well to make concessions to France, until an equivalent can be obtained from her.”

On the subject of the inequality of taxation generally, in the debate on the Income Tax, 23rd March, 1842, Sir Robert Peel said:—“Let me ask the House, what tax was ever imposed that was not objected to on account of its inequality? What was the beer tax?—the house tax?—the window tax? What were the Assessed Taxes when first imposed? Are all these taxes just in every one’s eyes? Must not all taxes, direct, or indirect, bear unequally on those who pay them? Take the case of the professional man. I think the professional man may urge good arguments against the justice of the assessed taxes. The owner of what you call, permanent capital, has the greatest facilities for evading the tax; he can remove to the Continent, and draw his income as he requires it; but the professional man—the lawyer, for instance, or the medical man,—is compelled to remain in this country, and to submit to the indirect taxation which prevails.”

Such were the declared opinions of Sir Robert Peel on these questions, and in reviewing these opinions now, the only wonder is, how a man so clear-sighted, could have spent the greater part of his political life in counteracting the views which he so ably maintained towards the conclusion of his career.

But the time now cannot be far distant when all

Customs and Excise duties must be abolished. The arguments so well directed by Sir Robert Peel against these duties which he repealed, apply with equal force to all which he left unrepealed. The difference is only in the degree of importance of the duties repealed and unrepealed : the same argument applies equally to all.

PART III.

TAXATION AS IT OUGHT TO BE . . . . .	343

THE UNIVERSITY OF CHICAGO

PART III.

TAXATION AS IT OUGHT TO BE.



THE source of wealth is the Earth ; or, if we speak of them separately,—the sources of wealth are,—the Earth and its Waters. These produce all the objects appropriated, or fashioned, by the labors of men. Human labor itself is not, strictly speaking, an original source of wealth, although without such labour no wealth comes into man's possession.

It has been laid down by Adam Smith that, every Nation derives its supplies of the necessaries of life from its labor, either in the immediate produce of that labor, or from other nations purchased with that produce. Also that, there is one sort of labor which may be called, *productive* ; and another which may be called, *unproductive*.

It must not, however, be supposed that, that portion of the community which is not employed in producing material wealth is unproductive of anything useful, or that, the epithet, "*unproductive*," as applied to them, is disparaging or degrading.

The annual labor and skill of the people may be taken to be the fund which supplies it with the necessaries and conveniences of life, either in the immediate produce of that labour and skill ; or in what is purchased with that produce from other nations.

The protection and encouragement, therefore, of that productive labor and skill, by every means, is one of the first duties of every nation, on the ground of policy as well as justice.

The expense of defending the society, and that of supporting the dignity of the chief magistrate, are both laid out for the general benefit of the whole society. It is reasonable, therefore, that the expenses should be defrayed by the general contribution of the whole society, all the different members contributing, as nearly as possible, in proportion to their respective means.

The revenue which must defray, not only the expense of defending the society, and of supporting the dignity of the Chief Magistrate, but also all the other necessary expenses of Government, for which the Constitution of the State has not provided any particular revenue, may be drawn either from some property which peculiarly belongs to the Sovereign or Commonwealth, and which is independent of the People; or from the property of the People. If from the People, the contribution should be for the protection which the State affords to their persons and property.

From these rules or maxims, it follows that, in every civilised State, all persons should contribute equally for the protection of their persons; and, for the protection of their property, in proportion to the amount of their property under the *special* protection of the State.

Without entering into any philosophical definition of property, it is sufficient to say that, the property here referred to is that which has been *realised* and has become ascertained, or defined, and permanent; and which then requires special protection, as contra-distinguished from income and the wages of labor and skill which are uncertain and precarious, and which, being spent as received, do not require that *special* protection from the State which is extended to *realised* property or *capital*.

If, then, it be one of the primary rules, in fixing and regulating taxation, to give the utmost possible protection and encouragement to productive labor and skill, it seems to follow that, it is the first duty of every State to leave all persons, as much as possible, in quiet possession and free enjoyment of the fruits of their own labor and skill. This seems to be dictated as well by policy as justice.

Of the justice there can be no question ; for, if a tax be paid to the State for the protection of the person, it is only common justice that, the person who has paid the tax should be left in the quiet possession and free enjoyment of the fruits of his own labor and skill ; and if it be true that,—“the annual labor and skill of every nation is the fund which supplies it with all the necessities and conveniences of life,”—it seems to be equally true that, it is the policy of every State to leave the fruits of that labor and skill, which is the origin or source of every nation’s wealth, undiminished by taxation.

By the continuance of the people’s labor and skill the nation’s wealth increases, and out of this increase the people save whatever they may acquire beyond their daily wants, real or imaginary, for the necessities and conveniences of life. These savings accumulated, assume the form of *realised* property or *capital*, distinguished from income, and this constitutes the strength and power or wealth of the Nation.

It is, therefore, very fit and proper that, the State should take from the strength and power or wealth of the Nation, that which is absolutely required for the maintenance, support, and extension of that strength and power or wealth. But to take anything more from that strength and power or wealth, or by any other means to check production or growth, is not only preventing the extension of that strength and power or

wealth, but is undermining or weakening the foundation of the whole.

This is the true distinction between Income and Capital; or, at least, this is the distinction here assumed, and this is taken as an axiom, which governs the whole of the views here set forth.

It is as unphilosophical and unwise as it is improvident and unjust to impose a tax on income because property must be taxed. It is, therefore, as unwise as it is unjust, on the part of owners of *realised* property, to complain that, they are unfairly taxed because uncertain and precarious incomes are untaxed. The unfairness is in taxing as *realised* property or capital that which is uncertain and precarious income, and the folly of such a complaint will be shown in the fact that, whatever is inexpedient for the public good, is inexpedient for the good of every individual.

It is manifestly an impossibility ever to impose a tax on incomes, necessarily uncertain in amount and precarious in tenure, which will not be unequal and unjust; and in direct violation of every rule and maxim which should govern taxation. Of this nature are all incomes derived otherwise than from *realised* property or capital.

As it is assumed to be *not* the policy of the State to tax professional or trade incomes on the wages of labor, and as this principle will be established by the details here given, it is unnecessary to pursue this part of the question further. The hopelessness of any attempt to remove the inequality and injustice incident to a tax on income has been shown by the evidence given before the Special Committee of the House of Commons on the Income Tax. No further evidence can be required to show that, the defects of inequality and injustice, which all feel and acknowledge, are inherent in a tax on income, and must ever be incurable.

It is the first duty of the State, in imposing taxes, so

to impose them that, they shall be most equally and most easily borne by those who pay them ; the ultimate end and object of all taxation being,—protection and benefit to person and property.

The property requiring *special* protection is that which has become *realised* and permanent, or Capital distinguished from Income, which is uncertain and precarious. Realised property, therefore, is the only property which can, consistently with justice and sound policy, be subject to taxation.

The first tax to be imposed, therefore, consistently with this rule, is

A PROPERTY TAX.

The Scheme for carrying out the principle here maintained is comprised in the three following propositions :—

1. A Tax on Property of a certain defined description.
2. A Tax on Persons of a certain defined class.
3. All other State Taxes to be abolished.

The Post Office, not being considered a legitimate source of revenue, is excluded from this scheme.

THE PROPOSED PROPERTY TAX.

This will be considered under the three following heads :—

1. The description of property chargeable.
2. The rate of charge.
3. The mode of assessment and collection.

1. AS TO THE PROPERTY CHARGEABLE.

REAL ESTATE :

All Manors, Messuages, Lands, Tenements, Houses, and other Buildings, Parks, Chases, Warrens, Underwoods, Coppices, Fisheries, Tithe Rents Charge, Other Rents Charge, Fee Farm and Quit Rents, to be charged

yearly in respect thereof, for every Twenty Shillings of the annual value thereof, the sum of Two Shillings.

Exemptions.—All Lands and Houses of poor persons, under the full yearly value of twenty shillings in the whole; all Churches and other Buildings for Public Worship: all Public Charities: all Parks and Play Grounds for the People.

The Land-owner being taxed on the rack-rent or annual value of his land, no Occupation tax is to be charged.

The Landlord will adjust that, as he thinks fit, with his Tenant, in fixing his rent.

The Land being once taxed on the annual value cannot properly be taxed again.

By getting rid of the Occupation tax much vexation will be avoided, and a great saving of labor and expense of collection will be effected.

This will be regarded as a great concession to the Agricultural interest, but it will be a great benefit to the Nation.

The Crops, live and dead stock, however, as well as the property, must be held liable for payment of the tax, and if the Lessee or Tenant pay the tax he would have a claim upon his Landlord for repayment.

No property out of the United Kingdom to be subject to this tax.

PERSONAL ESTATE :

All Annuities, Dividends, and Shares of Annuities payable to any person, body politic or corporate, company or society, whether corporate or not corporate, out of any Public Revenue, to be charged yearly for every Twenty Shillings of the annual amount thereof, the sum of Two Shillings.

Exemptions.—All Annuities and Dividends under the yearly value of Twenty Shillings. Every fractional

part of Twenty Shillings of the Annual value aforesaid to be charged at the rate aforesaid, provided that no rate or duty be charged of a lower denomination than One Penny.

The Pay of all Private Soldiers, Common Seamen, and Petty Officers of both services, to be exempted from this tax.

No property out of the United Kingdom to be subject to this tax.

2. THE RATE OF CHARGE.

This can be fixed only by the Government, confirmed by Parliament.

For the present purpose, it is proposed to be fixed for the term of *five* years, at 10 per cent. of the annual value of the property assessed, or 2s. in the Pound.

3. THE MODE OF ASSESSMENT AND COLLECTION.

The charge on Real Estate to be made with as much equality and indifference as is possible upon the present yearly value thereof, without any deduction, and a new valuation thereof to be made every *fifth* year or otherwise, as fixed by Parliament.

Every Assessment to the Property Tax to be made upon the several Occupiers of the property chargeable (except Assessments upon an House or Tenement occupied by any accredited Minister from any Foreign Prince or State), which is to be paid by the Landlord or person immediately entitled to the Rent of the said House or Tenement.

The duty to be charged in respect of any House, Tenement, or Apartment, belonging to Her Majesty, in the occupation of any Officer of Her Majesty, in right of his office or otherwise (except apartments in Her Majesty's Royal Palaces) shall be charged on and paid by the Occupier of such House, Tenement or Apartment upon the annual value thereof.

Tenants and Occupiers to pay the tax and deduct it out of the rent; and if any difference arise between them and their Landlords, concerning the rate, Commissioners to have power to settle the same as they may think right and proper.

Owners of lands, tenements, and hereditaments subject to the payment of rent charges, Annuities, Fee Farm Rents, Rent Service or other Rents or Annual Payments, issuing out of the same, to be at liberty to deduct out of every Fee-Farm Rent, or other Annual Payment, so much of the pound-rate assessed upon the said lands, tenements and hereditaments as a like rate for every such Fee-Farm Rent or Annual payment respectively shall, by a just proportion, amount to.

Mortgagors are to be at liberty to deduct from the interest payable by them on all Mortgages of lands, tenements, and hereditaments, or monies, so much of the pound-rate assessed thereon, as a like rate for every such annual payment respectively shall, by a just proportion, amount to.

All existing Exemptions for lands, tenements and hereditaments, extra-parochial or otherwise, to be abolished.

The Sovereign, by virtue of the Royal Prerogative, is exempted from the operation of all Statutes imposing duties on the Subject.

The Valuations to be made by Surveyors to be appointed by the Government; and an equal number to be appointed by the Parish or District.

The Assessment to be made by Assessors to be appointed by the Government, and an equal number to be appointed by the Parish or District.

Appeals from the Valuation or Assessment, as fixed by the Assessors, to be made to the Board of Commissioners.

The Board of Commissioners to consist of Public and

Local Commissioners. The Public Commissioners to be appointed by the Government, and the same number of Local Commissioners to be appointed by the Parish or District.

The Appeal from the Board of Commissioners to be to the Lords of the Treasury.

The decision of the Lords of the Treasury to be final.

The Collectors to be appointed by the Government and to collect the Tax quarterly, and their receipt for the same to be a final discharge.

THE PERSONAL TAX.

This is called a Personal Tax to distinguish it from the Property Tax, and is charged on Inhabited Houses for the convenience of Collection.

It is proposed to make all Householders, above the yearly value of Twenty shillings, chargeable according to a scale.

ESTIMATE OF THE PROPERTY TAX.

The Statistics are insufficient for making this Estimate with accuracy, but are sufficient for approaching sufficiently near to accuracy for the present purpose.

The Report of the Commissioners of Inland Revenue, for the years 1856 to 1859 inclusive, Volume 2, is a most valuable compendium of facts and figures relating to the Revenue, evidently arranged with great care. The 3rd Volume will be before Parliament and the Public, in the next Session. In the mean time the Report in the 2nd Volume will be taken as a basis for forming some of the present estimates.

The following are the Estimates obtained from the Government Departments, and a comparison between these and the Author's own Estimates, which follow, give the best information which he is able to offer.

GOVERNMENT ESTIMATES.

	Gross Amount Assessed to Income Tax.		
	Year ended 5th April, 1870.		
	Great Bri- tain.	Ireland.	United Kingdom.
	£.	£.	£.
1. Annual Value of Lands in Great Britain and Ireland in the year 1870 . . .	54,997,570	9,135,619	64,133,189
2. Ditto of Houses	77,879,548	3,639,605	81,519,153
3. Ditto of Tithe Rent Charge (Included in the Annual Value of Lands).	— — —	— — —	— — —
4. Ditto, of Manors	150,595	500	151,095
5. Ditto, of Fines	242,520	27,867	270,387
6. Ditto, of Fee Farm and Quit Rents (Included in the Annual Value of Lands).	— — —	— — —	— — —
7. Ditto, of Woods, Under-woods and Coppices (Included in the Annual value of Lands).	— — —	— — —	— — —
8. Ditto, of Fisheries	140,622	32,988	173,610
9. Ditto, of Dividends on Public Debt (Great Britain and Ireland).	21,718,080	1,137,648	22,855,728
10. Ditto, of Canals	724,827	21,764	746,591
11. Ditto, of Railways	19,839,237	879,184	20,718,421
12. Ditto, of Interest and Dividends in Joint Stock Companies and other rateable property in the United Kingdom (For particulars of these amounts see separate statement).	28,849,092	766,099	29,608,191
			<u>220,176,365</u>

GROSS AMOUNT OF PROFITS OF PUBLIC COMPANIES AND OTHER CONCERNS (EXCLUSIVE OF FISHERIES, CANALS AND RAILWAYS) ASSESSED TO INCOME TAX, IN THE YEAR ENDED 5TH APRIL, 1870.

Profits of	Great Bri- tain.	Ireland.	United Kingdom.
	£.	£.	£.
Public Companies	16,148,967	470,910	16,619,877
Quarries	683,979	12,638	696,617
Mines	5,465,786	78,313	5,544,099
Iron Works	2,018,564	— — —	2,018,564
Gas Works	2,066,361	90,913	2,157,274
Other Concerns, such as Salt Springs, or Works, Alum Mines or Works, Rights of Market, Fairs, Tolls, Bridges, Ferries, &c.	2,458,435	113,325	2,571,760
Total . . . £	28,842,092	766,099	29,608,191

REMARKS ON THE FOREGOING GOVERNMENT ESTIMATES.

These Estimates are made on the Gross Amount assessed to the Income Tax.

It is well known to the Government and to the Public in general that, the property is assessed to the Income Tax at less than two-thirds of the marketable value. But, if the property were valued by competent persons, the value would be little if anything short of double the amount now assessed to the Income Tax.

The same remark applies to Houses, and there must be some great error in the Estimates of the Government Departments, which makes the Annual Value of the Houses above two millions and a half more than the Annual Value of the Lands.

The Tithes, not commuted, are not included in the annual value of the Lands, as stated in this Estimate.

The Fisheries, as valued in this Estimate, are much below the annual value, according to the Reports of the Commissioners of Fisheries.

The annual value, or nett yearly profits of Canals is also here understated.

The Annual Profits of Joint Stock Companies and other rateable property of the kingdom are undervalued, at least, 50 per cent.

Property not coming within the definition of *realised* property is not subject to this Tax.

No reliable estimate of *realised* property can be made until that property has been valued by competent persons.

In the mean time, the following Estimate is given as a nearer approach to accuracy; but this is given more as an example than for reliable accuracy, though sufficiently accurate for the present purpose, which is to show how the proposed New System of Taxation may be surely and safely carried out.

ESTIMATE OF THE PROPERTY TAX.

1. Annual Value of Lands in Great Britain and			£.
	Ireland		138,266,378
2.	„ „ of Houses.....		122,278,729
3.	„ „ of Tithes (not commuted)		55,511
4.	„ „ of Manors		163,721
5.	„ „ of Fines		270,387
6.	„ „ of Fee Farm and Quit Rents ...		350,000
7.	„ „ of Woods, Underwoods and Coppices		3,150,000
8.	„ „ of Fisheries		760,000
9.	„ „ of Dividends on Public Debt.....		22,855,788
10.	„ „ of Canals		1,746,590
11.	„ „ of Railways		20,718,421
12.	„ „ of Interest and Dividends on Joint Stock and other Companies and all other rateable property in the United Kingdom		50,000,000
			<u>£360,615,525</u>

Here is a yearly and improving Rent from Realised Property or Capital, estimated at £360,615,525.

A Rate of 2s. in the Pound, or 10 per cent. on this amount, would produce a yearly revenue of £36,061,552.

This Rate is given only as an example, as it would be fixed from year to year by the Government, with the sanction of Parliament, according to the requirements of the State.

ESTIMATE OF THE PERSONAL TAX. INHABITED HOUSES.

Houses.		£.
200,000	Exceeding in Annual Value £1. and not exceeding £5. at £1. a year	200,000
300,000	£5. " " £10. at £2. a year	600,000
400,000	£10. " " £20. at £3. "	1,200,000
500,000	£20. " " £40. at £4. "	2,000,000
1,000,000	£40. " " £60. at £5. "	5,000,000
1,300,000	£60. " " £80. at £6. "	7,800,000
1,200,000	£80. " " £100. at £7. "	8,400,000
700,000	£100. " " £200. at £8. "	5,600,000
300,000	£200. " " £300. at £9. "	2,700,000
100,000	£300. and upwards at £10. "	1,000,000
<u>6,000,000</u>		<u>£34,500,000</u>

The data for this estimate are very imperfect, and the divisions in the scale here given have no pretensions to accuracy, there being no sufficient data for any such nicety of calculation.

The Government Estimate of the Gross Rentals in Boroughs, in 1866, was follows :—

£.	£.	£.
Under 4		130,256
At 4 and under 5		108,465
„ 5 „ „ 6		131,710
„ 6 „ „ 7		130,232
„ 7 „ „ 8		93,706
„ 8 „ „ 9		68,690
„ 9 „ „ 10		42,737
„ 10 and over		634,082
		<u>1,339,878</u>

The above Occupations include other properties besides Houses, but Houses constitute the great bulk.

The above Statistics are limited to Parliamentary Boroughs.

There are no returns for Counties or Towns other than Boroughs (Parliamentary).

These are poor materials for the present Estimate, but are better than nothing, and, with a few other unreliable sources of information, are some guide to a rough outline of facts, sufficient for the present purpose.

According to the Census of 1871, the number of persons in the United Kingdom was, 31,465,480.

According to the Census of 1861,—the number of persons in the United Kingdom was, 28,927,485.

Increase in 10 years, 2,537,995.

According to the Census of 1871, the number of Houses Inhabited, Uninhabited, and Building in the United Kingdom was,—5,993,823.

According to the Census of 1861, the number of the same was, 5,404,780.

Increase in 10 years,—589,043.

According to the Census of 1871, the number of Inhabited Houses in the United Kingdom was, 5,638,749.

According to the Census of 1861,—the number of the same was, 5,127,881.

Increase in 10 years,—510,868.

The population of the Kingdom,—never stationary,—is now increasing, as the returns show, at the rate of about 1000 persons daily.

The average number of persons to a house, between 1861 and 1871, was 5.3.

These results from experience throw doubts on the accuracy of the returns, after making all proper allowances, and the returns from Ireland are known to be very imperfect.

The number of Inhabited Houses in the United

Kingdom on the 1st January, 1872, cannot be less than 6,500,000, but the number will be assumed to be 6,000,000—for the present purpose of the tax.

The divisions in the scale here given can only approximate to accuracy, but great care has been given to these divisions, which have been made from the best information that could be obtained from the Reports of the Poor Law Board, the Reports of the Commissioners of Inland Revenue, and many other official documents, with the assistance obtained through the Board of Trade and other Government Departments.

But it is obvious that, slight inaccuracies in the divisions will only remove the numbers into the higher or lower scale of charge, and cannot very materially affect the aggregate amount, at least, for the present purpose.

Mr. Locke King's Return (384):—Sess: 1867, of the Number of Houses assessed to Inhabited House Duty—(year ended 5th April, 1866), is so manifestly erroneous, as to be undeserving of further notice.

It may be taken as an admitted fact that, in all the Government Departments collectively, the materials for making this Estimate with any pretension to accuracy do not exist, and that, the information furnished to the Author by the Government departments, being misleading, has been rejected by him.

SUMMARY OF REVENUE.

	£.
1. Property Tax	36,061,525
2. Personal, or Householder's Tax	34,500,000
3. Post Office.....	4,671,230
4. Telegraph Service	100,761
5. Crown Lands	447,723
6. Miscellaneous	3,205,253
	78,986,492
Deduct Post Office	4,671,230
„ Telegraph Service	100,761
	<u>4,771,991</u>
	<u>£74,214,501</u>

Here is a year's Revenue, with Post Office and Telegraph Service, of £78,986,492,—or without these two illegitimate branches of revenue, of £74,214,501.

If exception be taken to these Estimates on the ground that, they are too high; or if a larger Revenue must be raised for the requirements of the State, this involves only the simple question of the rate per cent. to be levied on the realised property of the kingdom.

The Post Office and Telegraph are not within the principle of this Scheme of Taxation, but if Public Opinion be for retaining these as sources of revenue there is no use in saying anything more about it. It is evident, however, that, instead of using these as sources of revenue, it would be the better administration to apply the surplus nett produce to a uniform charge for Letters and Messages over the world on the lowest scale which the surplus produce would admit of.

The advantages of such a change would be manifold, and to Trade incalculably great; and another, not inconsiderable, advantage would be, the conciliatory effect upon all classes, particularly upon the owners of realised property, who will be the class most difficult to deal with, though essentially the most benefitted. But it is not to be expected that a change so great as here proposed in the whole fiscal arrangements of the Kingdom should be seen and fully understood without careful, temperate, and unprejudiced consideration, nor would it be prudent for any Government to make the attempt until that consideration has been given, and Public Opinion has been clearly pronounced in favor of the attempt.

To meet the common error of those who admit the principle, but advocate the bit-by-bit reform, or who approve of the change, but recommend it to be made by degrees, they should be told at once that, in this case

such a proceeding would be impossible without incurring far greater danger than they are seeking to avoid.

If Customs, Excise, Stamps, and Taxes are to be removed by degrees, whence are the substitutes to be obtained in the meantime? Simultaneously with the destruction of the old system must be the establishment of the new system in complete action. There must be no interval between the two *fiats*.

The good sense and honesty of the British mind should be brought to bear on this great question with a single regard to the common good of all, and what is best for the good of all must be best for the good of each.

But further dry details have yet to be shown for careful consideration.

HOW THESE ESTIMATES ARE MADE.

As no Estimates are entitled to confidence if the grounds on which they are made be withheld, the following are the grounds of the Estimates here given.

1. THE ESTIMATE OF LANDS.

The basis of this Estimate is the Assessment for the Income Tax ;—a very imperfect basis, but the best that can be found at present. How much this Assessment is below the fair annual value can never be known until an impartial survey and valuation shall have been made.

Those who are acquainted with the mode of arriving at this Assessment know that, it does not represent so much as one-half of the Actual Annual Value. This Estimate takes the Assessment as made with the addition of 50 per cent., which is still much under the full Annual Value.

2. HOUSES.

The same basis has been taken for Houses, and 50 per cent. has been added to the Assessment for Income Tax.

This Estimate is much under the full Annual Value.

3. TITHES. (NOT COMMUTED.)

This Estimate (for England) is taken from the Table in the Report of the Commissioners of Inland Revenue, Vol. 2. page 198, for the year, 1868, being the latest return.

4. MANORS.

This Estimate is taken on the same authority—Vol. 2. page 198, for the same year, 1868, being the latest return.

5. FINES.

This Estimate has been taken on the same authority, Vol. 2. page 199, for the year 1868, (£194,328) being the latest return, with a small addition, as estimated, for the year 1870.

6. FEE FARM AND QUIT RENTS.

This Estimate has been made on facts collected from a great variety of sources, but of no reliable authority, and must, therefore, be regarded as very uncertain.

7. WOODS, UNDERWOODS, AND COPPICES.

The observation on the last Estimate applies equally to this. There are no authenticated facts for a reliable Estimate under this head.

8. FISHERIES.

This Estimate is taken on the authority of the Commissioners of Fisheries in England and Wales, Scotland and Ireland, in their Reports of the produce of these Fisheries in the year, 1870, confirmed by their private Letters.

In the before mentioned Report of the Commissioners of Inland Revenue, Vol. 2. page 207, the Assessment for Income Tax on the Gross Amount of Profits from Fisheries for the year, ended 5th April 1870, was only £138,482.

9. THE PUBLIC DEBT.

The Amount of Dividends on the Public Debt is taken from the Government Finance Accounts.

10. CANALS.

This estimate has been made from various uncertain sources of no reliable authority, but is believed to be much below the actual produce for the year, 1870.

In the before mentioned Report of the Commissioners of Inland Revenue, Vol. 2. page 207, the assessment to Income Tax on the Gross Amount of Profits from Canals for the year ended 5th April, 1868, was £743,339.

11. RAILWAYS.

This estimate is taken on the authority of the Government Finance Accounts.

12. JOINT STOCK AND OTHER PUBLIC COMPANIES.

This is a rough estimate made from the Declared

Statements of the Interest and Dividends paid by all the Joint Stock and other Public Companies in the United Kingdom, for the year, 1870 (exclusive of Railways and Canals) and of the annual value of all other *realised* property of the Kingdom, rateable to the Property Tax, for the same year.

The Return of Joint Stock Companies, under Order of the House of Commons, dated 24th July, 1871, is useless for this Estimate, and the Government possesses no authentic information on the subject.

The Estimate here made, therefore, has no pretension to accuracy ; but, although it considerably exceeds the Government Estimate, is supposed to be under the actual amount in the year, 1870.

BALANCE OF ACCOUNT BETWEEN THE OLD AND THE NEW SYSTEM.

UNDER THE OLD SYSTEM.

	£.
Nett Amount of Taxes paid into the Exchequer, according to the Government Financial Account for the Year ended 31st March, 1870	67,249,229
Actual Cost and Estimated Loss in raising the above Revenue	177,630,970
Total Charge	£244,880,199

UNDER THE NEW SYSTEM.

	£.
Nett Amount of Taxes paid into the Exchequer	67,249,229
Cost of Collection at $1\frac{1}{2}$ per cent.	1,008,738
Total Charge	£68,257,967
Total Charge under the Old System	244,880,199
" " New System	68,257,967
Difference	£176,622,232

Here is a difference in favor of the New over the Old System of 359·577 per cent. or more than three and a half times the whole amount raised by Taxes for the year ; and all Taxes are removed from Trade and Industry !

EXPLANATORY OBSERVATIONS.

Thus, it appears that, to raise the Revenue of £67,249,229, under the present system, costs the Country £176,622,232, or 260·638 per cent. on the amount raised ; and that, to raise the same amount under the new system would cost the Country only £1,008,738, or 1½ per cent. on the same amount raised, being the cost of collection, showing an actual saving to the Country, in money alone, of £175,613,494 a year !

To superficial observers this will appear to be a very exaggerated statement, but when examined carefully, in all its details and bearings, it will be found to be under, rather than over, the result to be expected.

But this is only the financial result.

What may be expected for the moral results ?

The moral results, far greater, though beyond human calculation, deserve the deepest reflection.

The strong desire for equalisation of taxes arises from every man thinking himself more burdened, in proportion to his means of bearing his burden, than his neighbor.

This is a very narrow view for forming an equitable system of taxation.

The Land of every country ought to be regarded as the *basis* of its wealth and strength as a nation ; and the *market price* of the Land ought to form the groundwork for taxation.

It is a narrow and very erroneous view, too commonly taken by Land Proprietors, that, by throwing the burden of taxation upon the industry of the country, they are thereby relieving the land from their portion of the burden.

That this is a superficial and short-sighted view of the question will be seen, if the true causes of the increased market price of Land be looked into a little more deeply.

Look back, only thirty years ago, to the unpeopled lands of Australia.

What was then the market price of land there, without population or trade?

As little worth as the deserts of Arabia!

What has raised those lands to the present high prices?

What but the great and rapid increase of population and trade?

Now, if such have been the effects in so short a time in that remote country, with an almost boundless extent of still unoccupied land, how incalculably greater must be the same causes in operation in this country to produce the same effects, with the population and trade already existing, and so much more rapidly increasing, and where the extent of land is and ever must be so limited in proportion to population?

In this point of view it must be seen how certainly the price of land in this country must go on rising with the increase of population and the prosperity of trade and manufactures, and how much it is for the interest of the land-proprietors to bear such a proportion of the necessary taxation as may continue to encourage and still further extend all that they ever can extend,—the trade and manufactures of the country.

What must be the increased price of land in this country twenty years hence, even at the present rate

of increase? And what must be the increased price of land *then*, if the pressure upon the means of subsistence be *now* removed by the removal of all taxes on the laborer's own labor, and on all stock-in-trade, and all machinery, and all works of industry, and by the adoption of a system of internal and international *free* trade?

What a world of misconception and malignant passion would be saved, if taxes were laid ostensibly as well as virtually upon the owners of *realised* property!

What a practical reconciliation would be effected between the wealthier and the poorer classes, if only taxes were universally removed from the necessities and luxuries of life, and these were left open to the equal and fair competition of all as the rewards of their own successful labor and skill!

As the late Rev. Dr. Chalmers said:—"What a death-blow would be thus inflicted on the vocation of demagogues! What a sweetening influence it would have on British Society, after the false medium was dissipated through which the high and the low now look on each other as natural enemies!"

It was the opinion of the same good and right-minded man that, "if the whole of our public revenue were raised by means of a territorial impost, it would ultimately add nothing to the burden which now lies on the proprietors of the land; for they, when fighting against such a commutation, are fighting in defence of an imaginary interest." And so they were proved to be,—not many years after those words were written—when they resisted the Abolition of the Corn Laws. Such a political economy as this, had it preceded, would have superseded all those tempestuous politics of that time.

This is the enlarged view which should be taken by Statesmen in directing the legislature of this country,

and if this principle were firmly relied upon and fully carried out, the results would soon dispel all fears for the consequences, and then all classes would soon find out that, their true interests were identically the same, and inseparable.

If the landed aristocracy, instead of their blind resistance to all change,—or, as they call it, *innovation*,—and their tenacious adherence to what they imagined, but falsely imagined, to be their own indispensable interest, had paid all taxes and left all trades unfettered, so far as human actions can be calculated upon by human motives, it may be confidently said that, no political sacrifice would have been required of them, and they would have remained in the undisturbed possession of their natural and rightful inheritance, as lords of the Commonwealth.

But the democracy of England, fired by a sense of injury, made head against them and wrested from them by force what ought to have been freely and willingly conceded in the spirit of an enlightened policy.

May the landed aristocracy take warning from the past, for the protection of their lawful rights for the future! There lies yet before them a noble field of improvement in rightly shifting the burden of taxes,—in emancipating trade, and that without reserve or limitation;—above all, in providing—amply and liberally providing—both for the Christian and literary Education of the People.

LOCAL TAXATION ON LAND AND HOUSES.

In considering the direct burdens upon Land under the present System of Taxation, it is impossible to estimate the losses indirectly inflicted on land through the manifold injuries which this complicated and expensive system directly inflicts on trade. But it is

clearly to be seen that, if these injuries to trade were removed, the relief to land would be greater than the whole amount of taxation which land now bears.

The local taxation on land is another question, under different circumstances, and remains the same, or goes on increasing, according to these different circumstances, though the Poor Rate, at present the chief burden on land and houses, might well be removed within five years from the establishment of this new system of taxation.

The Total Amount annually raised by *direct* and *indirect* Local Taxes for the purposes of Local Expenditure, may be estimated—

For England and Wales at	20,550,000
„ Scotland	2,000,000
„ Ireland	2,567,000
	<hr/>
For United Kingdom.....	£25,117,000
	<hr/>

This is in the proportion of 16s. a head of the population of the United Kingdom.

If the amounts raised for Public and Local purposes be added together, the Total Taxation of the United Kingdom in the year ended 31st March, 1871, would be about £95,062,000, or £3:1:0 per head of the population.

The following is compiled from the very elaborate Report of Mr. Goschen, M.P., showing—The Amount of the various Branches of Local Expenditure in each Division of the United Kingdom, in the year 1868.

BRANCHES OF LOCAL EXPENDITURE.

ENGLAND AND WALES.

£

In the Metropolis:—

Poor Relief, including Workhouse Loans repaid... ..	1,316,759
All other Parochial Expenditure payable out of Poor Rates	135,663
Extraordinary Expenditure for construction and repairing of Workhouses and Pauper Asylums	526,614
	<hr/>
	1,979,036

Local Management by Vestries, &c. (exclusively of Metropolitan Board of Works), Maintenance of Roads, &c., Watering, Lighting, Sewerage, &c.....	1,469,223
Metropolitan Board of Works;—	
Local Public Works, Sewerage, &c.....	1,935,495
Corporation and Commissioners of Sewers of City of London, Local Public Works, Sewerage, &c.....	1,771,096
Metropolitan Police	832,835
By Burial Boards for Public Cemeteries (estimated)	30,000
	<hr/>

Total Local Expenditure in Metropolis..... 8,017,685

In Country Districts;—

Poor Relief, including Workhouse Loans repaid.....	6,181,300
All other Parochial Expenditure payable out of Poor Rates.....	523,324
Extraordinary Expenditure for construction and repairing of Workhouses and Pauper Asylums.....	293,844
	<hr/>
	6,998,468

For County purposes: Police, Prisons, Lunatic Asylums, &c.....	2,319,348
In Municipal Boroughs for Local Public Works, Police, &c.	2,976,691
By Improvement Commissioners and Local Boards, for Local Public Works, Lighting, Sewerage, &c....	4,040,292
For Maintenance of Public Roads by Highway Boards	1,399,918
" " " " Turnpike Trusts	1,059,073
By Burial Boards for Public Cemeteries	179,365
Other purposes	483,778
	<hr/>

Total Local Expenditure in Country Districts... 19,456,933

Coast Districts:—

For Erection, Maintenance and Repairs of Commercial Harbors	2,071,796
of Lighthouses, &c., Pilotage, and saving Life at Sea	691,191

Total Local Expenditure for England and Wales 30,237,605

SCOTLAND.

By Parochial Boards for Relief of the Poor	1,002,803
County Assessments: Police, Prisons, Roads, &c.....	210,000
Turnpike Trusts	217,094
Edinburgh Police, &c.....	138,511
Glasgow Police, &c.....	130,473
Other purposes.....	813,786

Total Local Expenditure for Scotland..... 2,512,667

IRELAND.

By Town Authorities	539,102
Grand Jury Cess: Roads, Bridges, Prisons, &c.	1,122,084
Poor Rates.....	920,837
Harbors	360,000
Other purposes	112,977
	3,055,000

Total Local Expenditure in United Kingdom.... £36,292,605

If the amounts raised for Public and Local purposes be added together, with the Actual Cost and Indirect Loss, the Total Taxation of the United Kingdom, in the year ended 31st March, 1870, would be £281,172,804, or £8 : 15 : 7½ per head of the population, reckoned at 32,000,000 for the United Kingdom.

The purposes to which the local taxes are lawfully applicable are so numerous and various (exceeding 200) that a detailed catalogue would be tedious and a general description almost useless. The names of the rates usually indicate with sufficient distinctness the primary purpose of each, but this primary purpose is not always the only one to which the tax is, even by law, devoted.

The Poor Rate, by far the heaviest item in the list, is also the most multifarious in its objects; comprising, besides the relief of the poor, such general measures as the registration of the births and deaths, the vaccination of all classes of the community, the prosecution of certain kinds of criminals, the preparation of the lists of Jurymen and Parliamentary Voters, County and Police rates, and other purposes. The County Rate, again, provides for the repair of bridges, the maintenance of jails, the relief of prisoners, the payment of Coroners, the prosecution of felons, and a long list of other purposes. The several rates are designed to deal with exigencies of a most important public character, and it is, therefore, highly desirable that, they should not only be levied with fairness, but also be expended with fidelity.

This statement of Local Taxation is very discreditable to past Governments, and is now a subject of serious importance, but much too large to be here further entered into. But the point of paramount importance in the reform of local taxation is, the selection of a proper and invariable basis on which to raise the Assessment for all real property and all local and national property throughout the kingdom. At present the assessment falls much heavier on houses than on any other description of property. This is extremely unfair and injurious. But when the Poor Laws are abolished the great difficulty in the way of a satisfactory arrangement of Local Taxation will be removed.

REVISION OF NATIONAL ASSESSMENTS.

From the foregoing remarks it must be evident that, the first step towards a just system of taxation will be in a thorough revision of the National Assessments. This can be done only on a new Valuation of all the

Land and Houses, founded on the average price of Wheat.

A Valuation so made every five or seven years would form a sound basis for all local and national taxation throughout the kingdom, and would remove the absurd discrepancies exhibited under the present system of different assessments.

These are some of the weighty considerations which must soon force themselves upon public opinion, with regard to Taxation. It is evident that, the rentals of landed property produce half the sum raised for the relief of the poor, without taking into consideration other charges of a local and public nature raised from the same source.

What would be the effect upon the rental of lands if the price of agricultural produce should fall 25 per cent., even assuming that Landlords reduce their rents accordingly?

The claims of the poor would not diminish in the same proportion, nor would the reduction of rent be accompanied by an increase of labor amongst the poor. These objects can be accomplished only by the introduction of foreign produce and the increase of trade and manufactures; otherwise the burden of taxation must increase in weight every year.

From this consequence there is no escape.

The rental of a country is *the amount and market price of its annual produce*. Reduce that, and you diminish the main source of all public and private revenues, while you cannot abate one farthing of your taxation.

In this state of things the landlord and the tax-collector will be contending with each other for the produce of the soil, and the tenant will struggle in vain for the means of subsistence, while the wages of labor will fall to a scale too low to allow the laborer to pur-

chase the highly taxed necessities of daily life. Thus the country will drift into one common gulf of misery and ruin.

These effects will be first seen in Ireland.

The people of England are too apt to consider themselves safe against this wholesale ruin. They pride themselves on being a more industrious and provident race than the inhabitants of "The Emerald Isle," and so they are. But the people of England make this boast without full consideration of their position. It is the centralisation of Capital in England from every part of the world that has hitherto sustained and prevented Great Britain from falling into the depth of misery into which Ireland has so long fallen. But the reduction of wages, employment, and profits are signs that Great Britain is slowly drifting towards that gulph of misery, though the danger is seen now but faintly shadowed forth, or, as "the little cloud arising out of the sea, like a man's hand." But this, however, is certain, that the causes, whatever they may be, which reduce the amount of "profitable wages" paid for British labor, must diminish British Capital and Industry, and must increase the amount of British Pauperism.

The fact is, we are making British labor pay for every change introduced into our commercial and agricultural legislation. If this system be continued we must, in the end, pay the penalty due for sacrificing the comforts of the poor working classes at the shrine of Mammon, and that penalty will be terrible.

Pauperism in this country is becoming an organic and progressive evil, and in the purely agricultural parts of the country especially has increased and is increasing under all changes. This is one of the most lamentable effects of our system of taxation, which increases the cost of living, and with these victims and the scarcely less pauperised tradesmen of small means in Country

Towns and Villages our prisons and our poor-houses are chiefly filled.

So long as this system continues, these consequences must follow, and must go on increasing, and very small and slow must be the effects of any expenditure on the education of a people who are not receiving fair wages for their labor, and who are deprived of those comforts and enjoyments which they are entitled to expect, and, indeed, to demand, in return for their industry and skill.

The effect of Education can be only to produce a change of system or a revolution.

It was a sound remark of Sir Robert Peel, in his speech on the Income Tax, 23rd March, 1842, that,—

“If you make a great reduction, not, I would say, in the amount of poor rates, but in the cost of living, on account of which those poor rates have been kept high, those who pay the poor rates will derive considerable advantage from that reduction. I may observe here that there has been a tendency of late years to increase the poor rates on account of the high prices of provisions.”

It is impossible, under the present mixed system of direct and indirect taxation, to preserve anything like an approximation to equalisation, for it is impossible to obtain even the first figures for such a calculation. No one in this kingdom can say how much he is taxed, for no one can at any time say, with precision, what is the actual amount of the national burdens. Clearly, it is not the nominal amount given in the Official Accounts, because a great part of that is owing to the State for taxes. It is, therefore, necessary for ascertaining whether taxes be equally distributed or not to ascertain in the first instance, what is the actual amount of taxation. Now, as the late Mr. Macculloch remarked, for this it is indispensable to deduct from the apparent

amount all that portion of the taxes which is paid by public functionaries and by those subsisting on the dividends or interest of the money lent to the State. The balance of taxation remaining, after this sum is deducted, forms the burden really borne by the public.

If A. owe B. on one account £100, and B. owe A. on another £20, it is plain that, the sum really due by A. to B. amounts to only £80. Such is precisely the case with the public. The State owes certain sums to certain parties; but these parties have, by means of taxes, to pay certain sums to the State, so that the sum really paid by the latter amounts only to the balance, or difference between the two.

It would, however, be exceedingly difficult, as Mr. McCulloch also observes, or rather impracticable, to make anything like a fair estimate of what the balance in question may amount to in this or any other country. Much obviously depends on the nature of the taxation. In this country, where by far the largest portion of the revenue is derived from taxes on articles of consumption, the sums received from the public functionaries, creditors, and dependents on Government, will, of course, be very much larger than in countries where the public revenue is mainly derived from direct and fixed taxes, such as land and property taxes and the like. But, from the impossibility of ever ascertaining with accuracy the quantity of taxed articles consumed by individuals or by classes of people, the difficulty of making anything like a fair estimate is so increased as to become almost impracticable for any useful purpose.

For the same reasons it is equally impracticable to form a correct estimate of the aggregate incomes of any two or more countries; and if this difficulty were got over, and the income, population, and taxation of any two countries were known, it would be all but impossible to say which was most, and which was least heavily taxed.

The same amount of income yields a very different supply of the necessities and conveniences of life in different countries; and, supposing other things to be equal, the well-being of individuals obviously depends, not on the amount of their money incomes, but on the amount of necessities and conveniences for which those incomes will exchange.

Hence, as Mr. McCulloch says,—supposing the average incomes of the people of two countries amount, before their taxes are paid, to £20 a head, and that the taxes payable in the one amount to £4, and in the other to £5, a head, we should not be able to say, without further examination, whether taxation were really heavier in the latter than in the former; for its pressure is to be measured not so much by what it takes, as by what it leaves; and if the £15 of income remaining to the inhabitants of the one give them a larger command over necessities and conveniences, than the £16 remaining of the other, it would be correct to say that, they were the least heavily taxed.

EFFECT OF TAXATION ON PROFITS AND WAGES.

Taxes being the transfer of a portion of the property of individuals to the State, the tendency of comparatively high rates of taxation must be to produce a lower rate of profit with inadequate wages, and to drive capital from the country.

Local and exceptional circumstances may, for a time, countervail the influence of a low rate of profit and prevent capital from going abroad, but that effect is sure to follow at the first fitting opportunity. There is no instance of a country burdened with high rates of taxation in which this effect has not been experienced, or

from which there has not been an efflux of people and wealth.

It is true that, an increase of taxation, if not very sudden and oppressive, is most commonly defrayed wholly or in part by a proportionally increased economy, industry, and invention. But the tendency to reduce profits and wages is still the same. However great the produce of industry, a high rate of taxation necessarily abstracts a large portion of that produce, and though the condition of those engaged in industrious undertakings in a highly taxed country may not be worse than when it was less heavily taxed, and may even be very materially improved, every one sees that, it would be still better were taxation reduced. The increased ability to bear the burden is forgotten, and the attention is exclusively fixed on the burden itself. Its influence, and the inconveniences thence arising, are often exaggerated, but all classes become desirous to escape its pressure or to throw it upon others.

It is also true that, the increased industry and invention which an increase of taxation encourages, may, for a time, more than neutralise these effects. But those improved processes and more economical methods of carrying on industrious undertakings, so occasioned, gradually make their way into other countries, where the burdens falling on the industrious classes are less heavy; and while they improve the condition of those among whom they are thus introduced, they enable them to become more formidable antagonists of the more highly taxed producers in the markets common to both. The temptation to convey away capital and skilled labor from highly taxed countries, is thus also progressively augmented; so that, the fair inference seems to be that, a heavy rate of taxation, though, if judiciously imposed, may, for a lengthened period, act as a powerful stimulus to industry and invention in the

country subject to its influence, may not improbably, in the end occasion its decline and fall.

The discovery of new processes and new inventions in the arts, changes in the channels of commerce and in the price of money, the overthrow of old and the establishment of new forms of government, the occurrence of wars, and a thousand other events which it is impossible to conjecture, may vastly increase or proportionally diminish the power of countries to bear taxes, at the same time that they may add to or lessen their magnitude.

But, it seems impossible to doubt that, a high rate of taxation operates as a clog to the progress of a country, and is a source of impoverishment and weakness, and always must so work, with more or less perceptible effect in the course of time.

This may be sufficient to show the expediency of adopting every just and practicable means for lessening the weight of taxation and relieving the pressure on the national resources. It is hopeless to expect that this can be done by means of reductions in the public expenditure.

Much may be and ought to be done in this way, but it is a delusion to look for any sensible and permanent relief by any such means in the present political state of affairs in Europe. The only effectual relief, under the pressure of taxation in this country, must be by making the People better able to bear it, and that can be only by increasing the capital of the country, by relieving trade and manufactures from all restrictions, thereby extending and enlarging industry and raising the general rate of profits and wages. As a first step to this result, the improvement of the condition of the working classes by the removal of all taxes from articles of consumption is essential. In comparison with this, any savings which could be effected by reductions in the public expenditure sink into insignificance.

It is no part of the present scheme to propose a reduction in the salaries or payments to public officers, servants, or others employed and paid by the State. But it is obvious that, if the revenue of the State be raised by direct taxes on realised property, these salaries or payments might be very considerably reduced without reducing in effect the money worth or purchaseable power of such payments.

For example, if a public functionary receive a salary of £1000 a year, and one fourth part of this sum be drawn back by a tax on income and articles of consumption, his real salary is only £750 a year, and that is the only cost of his salary to the country. It follows that, if £1000 a year be a sufficient remuneration under the present system, £750 would be an equal remuneration under the proposed system, and the difference, £250, would be the yearly saving to the State.

If this were to be carried out as a rule applicable to the salaries of all public functionaries above a certain amount, say, for example, £300 a year, this would include all the Ministers of State, with other High Officers of State, their deputies, secretaries, assistants and clerks, and all the Judges, with many of their subordinates and attendants, besides a host of other paid officers and place-holders under Government, and in the Royal Household, far too numerous to be here mentioned. These altogether would effect a yearly saving to the State of no inconsiderable amount, and much greater, perhaps, than it would be prudent to make known beforehand.

This yearly saving might form a fund for pensioning off those numerous Government officers whose services would be no longer required in the Collection of Customs, Excise, and Stamp duties, &c.

It may be observed in further illustration that, the cost of maintaining our Army and Navy establishments

is to be measured chiefly by the cost of the various articles required for the supply of the officers and men. If these articles be subject to duties, the cost and the pay of the officers and men is increased in proportion to the duties on the quantity of taxed articles. It is obvious that, this increase is not at first, whatever it may be in the end, wholly a loss to the State; for, being intercepted by the duties, it finds its way back to the State, and is again re-issued, to be again restored.

But this involves the necessity of keeping up all the cumbrous and expensive machinery of our present system of Customs and Excise Establishments, with the Coast Guard service, and all their terrible attendants; and after a few re-issues and restorations these intercepted duties are either altogether swallowed up, or so far diminished by the enormous expenses and frauds of these establishments, as to have vanished from human sight or power of calculation. But, if these articles were exempt from duty, it is obvious that, the cost of supplying them would be so much less as the amount of the duty, and that, the pay of the officers and men might, without injury to them, be proportionally reduced, though any such reduction in their pay is a question on which no opinion is here offered.

It is on this calculation of drawback by taxes on articles of consumption that,—Mr. McCulloch estimated the real magnitude of the national burdens at about 25 per cent. under their nominal amount, given in the Official Accounts. Supposing these to average £64,000,000, on this hypothesis the real burden will be £48,000,000.

This is exclusive of Local Rates,—amounting, as already shown, to £36,292,605.

BENEFITS OF DIRECT TAXATION.

If the present mixed and complicated system were at once swept away, and replaced by a system of direct taxation, we should be perplexed no more by drawbacks, allowances, and repayments; and the Government Account might then be a simple and plain statement of receipts and payments, open and intelligible to every inquirer. We should then be taxed no more in Customs and Excise,—those costly creations for cruelty and crime,—tormented and persecuted, no more by Customs and Excise Officers,—impeded and injured no more by sufferance wharfs and bonded warehouses,—but free to come and go, to buy and sell, when, where, and how we like, without being overhauled, insulted, and cheated by a set of, for the most part, ignorant, low, mercenary, and vicious hirelings,—made vicious by the vicious system of which they are a necessary part;—in short, we should then be free agents,—free to choose, free to think, free to act, and free to take the consequences,—the inherent right of every rational human being,—the natural prerogative of reason,—the first step to rational improvement, to religious and moral culture and mental refinement,—the safest and only safe foundation for true patriotism and loyalty,—for peace and prosperity to every nation of the earth.

Smuggling, that fruitful source of guilt and wretchedness, would then be a word which might be expunged from our dictionaries.

Drunkenness, that fatal folly of the lower orders, fostered by misery and ignorance, would diminish as their comforts and enjoyments and intelligence increased.

Trade, expanding with unimpeded growth in the inexhaustibly fertile soil and genial climate of the British Isles, would spread over all the other nations

of the world, dropping the beneficent influences on other soils, for the benefit of other people, and, under the blessing of the All-directing Power, this Nation and this People might be permitted to be as a bright beacon to lead other nations and people, now wandering in the darkness of ignorance under the yoke of despotism, into the light and pleasant paths of peace and plenty, by a free interchange of the special gifts of Providence to each, for the common good of the great and precious universal whole.

We might then pray, with some hope of our prayer being heard :—" Give us peace in our time, O Lord !" We might then hope to avoid the necessity of employing physical instead of moral agencies, as the only effective means of controlling hostile tendencies, based on ignorance and prejudice.

ORIGIN OF INDIRECT TAXATION.

The plan of raising a portion of the national revenue by a tax on the importation of foreign articles of merchandise, offers, at first sight, to superficial observers, so many apparent advantages that, delusive as all these are, it is no wonder it should have presented itself at a very early period to the minds of those charged with the duty of providing the pecuniary resources of the State.

The idea of favoring the home producer,—the belief, long prevalent, that the duty would fall upon the foreigner,—the hope that the importing merchant, knowing that he would ultimately recover it from the consumer, would regard it only in the light of an advance, and, therefore, would not object to pay it; the expectation that, the purchaser, to whom it would come only in the form of an undistinguishable element of the total price, would not detect it or be inconvenienced by it, and the obvious consideration that, as in the great majority of the articles thus burdened, the purchase was entirely

optional, and the payment of the tax, therefore, in a manner voluntary, may all have combined to recommend the adoption of those indirect imposts now known by the name of Customs' duties, and to have encouraged the increase and development of the system till it has reached its present unexampled magnitude.

There is, however, evidence of the existence of these imposts anterior to the times in which such considerations as the foregoing can be supposed to have had much influence; and, notwithstanding the weight of Sir Edward Coke's opinion to the contrary, it seems probable that, they were originally of a Common Law character, and that their name of "Customs," or "Customary" levies, points to their exaction by traditional prerogative. However this may be, their legislative origin cannot be traced back beyond the reign of Edward I., A.D. 1297. In the year 1400 they produced, (or rather were let for) the trifling sum of £8000. In the middle of the 17th century, they had reached a yearly average of about £500,000. At the accession of George III., they already yielded £2,000,000:—forty years afterwards, in 1800, the amount levied was about £11,000,000; and in the year 1860–61, this sum had increased to £23,513,821, being an augmentation in the last century of nearly *twelve fold*.

From the date of our earliest records there has been a progressive tendency towards rendering the tariff lists less and less voluminous. The principal reductions were made, as is well known, by the celebrated tariffs of 1842, and 1845, the latter of which alone removed upwards of 450 articles from the list of duty-paying goods; but since that year, and under every Government, continuous and decided progress has been made in the same direction.

At present, no articles *exported* to foreign countries are subject to duty.

NAVIGATION LAWS.

By repeal of the Navigation Laws (1st January, 1850) many most vexatious and injurious restrictions on the trade of this country were, at last, happily abolished.

Any goods may now be imported in any vessels from any country; and ships may now be registered and entered in Great Britain, wherever built and purchased, and however manned.

It is impossible to say to what extent the expansion of trade and the interests of ship-owners have been promoted by this change alone. But of this some notion may be formed from the following Table, taken from the 18th No. of the Government Statistical Abstract, page 102.

NO. 41.—TOTAL NUMBER AND TONNAGE OF VESSELS REGISTERED AS BELONGING TO THE UNITED KINGDOM, INCLUDING JERSEY, GUERNSEY, AND THE ISLE OF MAN, AT THE END OF EACH YEAR.

Years.	Sailing Vessels.		Steam Vessels.		Total.	
	Vessels.	Tons.	Vessels.	Tons.	Vessels.	Tons.
1856	24,480	3,980,494	1,697	386,462	26,177	4,366,956
1857	25,273	4,141,274	1,824	417,466	27,097	4,558,740
1858	25,615	4,205,270	1,926	452,468	27,541	4,657,738
1859	25,784	4,226,355	1,918	436,836	27,702	4,663,191
1860	25,663	4,204,360	2,000	454,327	27,663	4,658,687
1861	25,905	4,300,518	2,133	506,308	28,038	4,806,826
1862	26,212	4,396,509	2,228	537,891	28,440	4,934,400
1863	26,339	4,731,217	2,298	596,856	28,637	5,328,073
1864	26,142	4,930,219	2,490	697,281	28,632	5,627,500
1865	26,069	4,936,776	2,718	823,533	28,787	5,760,309
1866	26,140	4,903,652	2,831	875,685	28,971	5,779,337
1867	25,842	4,852,911	2,931	901,062	28,773	5,753,973
1868	25,500	4,878,233	2,944	902,297	28,444	5,780,530
1869	24,187	4,765,304	2,972	948,367	27,159	5,713,671
1870	23,189	4,577,855	3,178	1,112,934	26,367	5,690,789

THE BONDING SYSTEM.

Under the existing system of the revenue laws, the commerce of this country could never have attained its actual enormous magnitude unless, to the great enterprise on the part of merchants had been added a liberal disposition on the part of the State to give every possible facility, consistently with such a system, for the rapid despatch of business.

Even the large reductions of duty, which have been made, would have been rendered comparatively inoperative if tedious formalities and needless restrictions on the part of the revenue officers had not been, at the same time greatly mitigated.

It soon became apparent that, the exaction, immediately on landing, of duties payable on goods which yet might be many months on hand before they were disposed of, was a heavy tax upon the importer, and required considerable additional capital to meet it.

The first relief afforded was by the Act 12 Charles II. c. 13, A.D. 1660, which permitted the merchant to give bond for payment of the duty within nine months, instead of paying at once, and receiving the usual mitigation. In other words it offered him the choice between nine months' credit, or 10 per cent. discount. The obvious inequity and impolicy of levying revenue alike upon articles re-exported to foreign lands also soon presented itself to the minds of our legislators, and in the same year,—(by 12 Charles II. c. 4) the exporting merchant was permitted to claim, or “drawback,” the *whole* amount of duty which he had paid into the Exchequer, in the case of silk, linen, and tobacco, and *half* the amount in the case of all other articles, a distinction which subsequent tariffs largely modified, and at length wholly swept away.

The "Warehousing (or Bonding) Sytem," however, with its various branches, has afforded the greatest facility, and has been the greatest practical improvement yet introduced. It allows imported goods to be "warehoused" under due precautions, and for a renewable period of five years; leaving to the merchant the privilege of paying duty only when the goods are removed for actual consumption, or of escaping the payment of duty altogether, by removing them for exportation.

The first approach to this improvement is traceable in the year 1700, when the wrought silks of India and Persia (the use of which was prohibited at home) were permitted to be placed in fit warehouses for exportation, on due security being given by the merchant for carrying out such destination. In 1709, pepper was allowed to be deposited in "approved" warehouses, on payment of half "subsidy," the other half being demanded when the article went into consumption, or, in case of its re-exportation, not being claimed at all. In 1742, rum was allowed to be warehoused under Crown locks, and on bond being given for the payment of duty when taken out for home consumption; and shortly afterwards tea, rice, and tobacco, were admitted into the same privilege.

A general "Warehousing Act" was passed in 1803, extending the system with a niggard hand, both as regards localities and articles. Various subsequent enactments greatly enlarged the privileges and facilities then granted; and in the year, 1825, when the Customs Laws were consolidated by Mr. Hume's Eleven Acts, the system had nearly attained its present form and extension. Now, nearly every Port, of any size, in the kingdom, contains licensed warehouses for bonding; and every year new warehouses are thus licensed by the Board, after due examination with reference to the

security they offer against fraud, and after taking a bond from the proprietor of the warehouse, in a sum large enough to cover the risks of the Crown on the goods to be deposited therein.

These valuable privileges were certain to be largely employed, and to give rise, with the expansion of trade, to a demand for a largely increased warehousing accommodation. This has been especially the case in the Port of London. In 1850 it was found that, the provision afforded by the various docks (to which the Victoria Docks have been since added), extensive as it was, was still quite inadequate to the requirements of commerce; and in February, 1851, privileges analogous to those enjoyed by the old bonded warehouses, but subject to varying and special limitations, were granted to certain sufferance wharfs on the south side of the river, which were already in possession of some, though comparatively limited rights of bonding. Similar privileges were granted in favour of specified localities on the north bank, and, at present, besides the docks and "legal quays," landing privileges are exercised by no less than eighty-seven "sufferance wharfs," of which thirty-five have been bonding warehouses, and fifteen have, or may obtain, the privilege of receiving all goods, except silks, tobacco, and goods warehoused for exportation only. Besides these, bonding privileges have been extended, for wine and spirits, to private vaults, situated within 500 yards from any part of the river, between London Bridge and Brewers Quay,—a concession which the trade has not been slow to avail itself of. These privileges have, probably, been still further extended, since this was written.

It has long been desired, both by the Merchant and the Government, to render this country the great commercial emporium of the world—the central rendezvous where goods of all sorts should come, not only for consumption, but for distribution likewise. To effect this

object, a large relaxation of Custom-house regulations has been introduced, so as to facilitate transshipment in our Ports, and transit through the country by land, from port to port. In the ordinary course it was the practice for such goods to come hither duly entered for exportation only, and,—after undergoing the examination necessary to satisfy the officer of the integrity of the transaction and the nature of the article,—to be warehoused to wait a convenient opportunity, on the occurrence of which they were cleared, bond being given for their actual exportation. Under this system a very large transit trade had arisen, which, however it was thought desirable, and found practicable, to extend. Accordingly, in 1850, regulations were established under which goods may be simply transhipped from the import to the export vessel in the same port, and, perhaps, lying alongside. In this case, provided the merchandise in question be reported “in transit,” the importer is allowed to take out both his inward and outward documents at once, and the goods may be removed direct, as required, subject—unless fraud be suspected—only to such a trivial examination as may suffice to verify the correctness of the entry for statistical purposes. The few years that have elapsed since this system was established have been enough to show how great a boon it must have been to trade.

The increase in the real or computed value of goods and merchandise thus dealt with, since the year, 1851, has been gradual, from 150 per cent. to 300 per cent., 400 per cent. and upwards.

The attention of the Commissioners of Customs has also been directed to the removal of many troublesome and unnecessary forms in the documentary routine required from masters of vessels and importers, and to simplifying, facilitating, and expediting such as, in their judgment, could not be dispensed with.

The examination of the baggage of travellers, arriving from foreign parts, has constantly been,—and as long as this system is persisted in must continue to be,—a subject of loud complaint. The Commissioners have, however, shown a laudable desire to mitigate the inconveniences, perhaps, as far as in their power. In many cases, baggage is now examined on board the steamers, but this experiment has been attended with very questionable success, inasmuch as the baggage when so examined and passed is no longer under the protection of the Custom-house officers, but is wholly unprotected from the crowd of thieves and costermongers who, on these occasions, are ever waiting and watching their opportunities for carrying off their booty, for the prevention of which the utmost care on the part of the owners, bewildered and helpless in the general confusion of landing, is too often insufficient. Some mitigation, however, has been effected for travellers merely passing through this country to foreign countries, by paying the duty as a deposit at their port of arrival, and receiving an order for its repayment at the port of embarkation.

This, however, is but a clumsy contrivance, involving much trouble and delay, and often much vexation and loss. These are the evils inseparable from the system.

Many minor facilities, afforded year by year, both to the mercantile and general public, might be enumerated, but these touched upon are the principal, with one exception, and that a most important one,—the abolition of all gratuities or fees.

The merchant is now subject to no tax of any sort, beyond the actual Customs duty levied by Act of Parliament; whereas, in former days, this constituted only a portion of the various payments he was called upon to make, before he could obtain possession of his goods, and this, it is easy to see, was an extensive opening to bribes.

Under the influence of the various circumstances, here

shortly noticed,—the simplification of the tariff, the reduction of duties, and the improved facilities to merchants and shippers,—the commerce of Great Britain has shown a marvellous increase, and the revenue a still more marvellous elasticity.

Between the years 1831 and 1834, the very first extensive steps were taken in the removal of prohibitions, and the reduction and remission of Customs Duties.

These were followed in 1842 and 1844 by still bolder advances in the same direction, and every successive year has seen further progress, culminating in the vastly reduced and simplified tariff of 1853. The nett aggregate of these reductions from 1840 to 1869 is £20,235,863.

To produce such a result, it is obvious that, both the industry and the consuming power of the nation must have augmented in an extraordinary ratio. From the peace of 1815, to the year 1826, the increase of our commerce had been very trifling. The entire imports, as measured by official value, showed no great augmentation, but *fluctuated* about a medium of £52,000,000. They were £58,000,000 in 1815, and £51,000,000 in 1826. From that date, however, both branches of commerce took a new start and have never since looked back.

In 1854 and 1855, it became necessary to increase the Customs Duties on four of the principal articles of consumption, with a view of providing means towards defraying the expenses of the war. The taxes on tea, coffee, sugar, and rum, imported into Scotland and Ireland, were severally augmented accordingly. The duty on coffee was raised 33 per cent.; the utmost diminution of consumption was only 6 per cent. The duty on tea was raised 17 per cent.; the falling off in consumption was not a quarter per cent. The duty on sugar was raised, on the average, about 25 per cent.;

and the price of the article *in bond* rose also upwards of 30 per cent. between 1854 and 1856: yet the entire difference of consumption in these two years was short of 10 per cent. When it is considered that, in all three articles the duty forms a very large proportion of the entire cost to the consumer, and in how trifling a degree this augmentation of the tax affected the use of these articles, this must be admitted to be a striking illustration of the continued prosperity and vast consuming power of the country.

The Report of the Commissioners of Customs, for the year, 1870, in their remarks upon the greatly increased values of the importations from the United States and France,—remarks as follows:—"The values of the imports from France show an increase of £4,080,663.

Assuming, on the authority of the Government, that, these repeated instances of the astonishing increase of the revenue are fairly attributable,—and of this there is no doubt,—to the reduction of the duties and the removal of some of the obstacles to trade in the ordinary routine of Custom-house documents, what might be expected to be the increase of the revenue if all the duties, and all the other obstacles were removed, and the operations of Trade were free? Is it too much to assume,—as is here assumed,—that, within 5 years, the increase would be trebled, and that, the actual cost and indirect loss to the nation, under the present system of Customs and Excise duties, is upwards of 250 per cent. on the revenue so raised?

Here is no exaggeration, for the facts here stated, in figures given by the Government, prove the case to be under-stated.

The question now is, whether this state of things ought to be permitted to continue.

This is the question ;—and the Government had better meet it fairly, before it is answered by the People.

THE RESULTS OF FREE-TRADE REFORMS.

Thus, it appears that, the application of free trade reforms has not only been perfectly successful when tried by the higher and larger tests of their effect upon the trade and general condition of the country, but they have been strikingly successful as measures of finance.

The plea of the necessities of the State is never likely to be disregarded in this country, where all are sensible that, the reasonable calls upon the Exchequer must be fully provided for. But between a financial policy, which confines itself within the hard and narrow limits of a restrictive system, and a line of procedure formed on a broader but not less carefully considered view, not only for the means of maintaining a sufficiency of revenue in a manner the least burdensome to the country, and the least oppressive to the people, there is a great difference.

Important as were the relaxations which occurred at the various dates between 1820 and 1840, still the fact remains that, prior to 1842 the Customs and Excise continued almost stationary, notwithstanding the increase of population and the capabilities for larger trade.

Then came the change of policy.

The narrow lines of our restrictive system, so rigidly and so long adhered to, were then widened and shortened. The attempt was then made to adjust the mode of raising taxes with some regard to the industrial classes, upon which those taxes chiefly fell. The result has been as instructive as salutary. Nothing can be more plainly shown than the success of the free-trade reforms, if only as a policy of finance.

We find, for example, in 1853, that, in spite of large and continuous remissions of duties, the gross produce

of Customs and Excise combined, was, £700,000 *more* than in 1840.

We see also that, the reduction of duties on articles previously over-taxed, was much more than compensated by an increase of revenue on articles upon which no reduction was made.

Upon this ground we can understand (as Mr. Tooke says in his last valuable work 'On Prices') how it happened that, tea and tobacco, in 1853, yielded (even at undiminished high rates) $3\frac{1}{2}$ millions more revenue than in 1840; and that spirits and malt exhibited a similar increase of 2 millions.

The problem, therefore, has become (to use Mr. Tooke's language, with the alteration of only a few words) not merely to raise from year to year a sufficient revenue, but to raise it and at the same time to relieve the pressure of taxes on those parts of the system where they act as pernicious burdens.

It may be true, (Mr. Tooke says, "it is quite true") that, the magnitude of the debt renders it incumbent upon us to provide, at least, some annual surplus towards its reduction; but, if any result be clear, in the financial experience of the last fifteen years, it is this:—that, the most efficacious sinking fund that can be established is, —the release of the industry and skill of the country,—as rapidly as possible,—from the pressure of every fiscal burden which operates as a positive hindrance and oppression.

But it is quite true,—as Mr. Tooke adds, and as here given in his own words:—

"Our strength and progress consist far more in augmenting the ability of the country to bear the burden of the debt, than in attempting to diminish its magnitude by retaining taxes which prevent accessions to our ability; and the more rapidly we arrive at an adjustment of taxation so perfect and so equitable that,

for all practical purposes it may be regarded (considering its necessary magnitude) as imposing no oppressive burdens on the development of skill and enterprise, the more rapidly we shall arrive at that point where we may, with most advantage and safety, make the reduction of the debt our first and greatest concern; but, till then, few inferences from experience seem to be plainer than this, namely, that, constantly observing the line of prudence, as regards a full provision for all our engagements, our first duty and our best policy is, to remove fiscal oppressions and inequalities."

The result of all this experience clearly shows that, every relaxation of restrictive duties has been immediately followed by an expansion and increase of trade, much more than sufficient to compensate for the loss of the abandoned duties; and that, so sensitive is trade to any restraints upon perfect freedom of action, the removal of any impediments, even in the minutest arrangements of official routine, is attended with immediate and sensible effects to the same end,—the extension and enlargement of trade, with all the necessary consequences of increase in the rate of profits and wages, and of employment and comforts, to the working classes.

With such experience of relaxing only the rigid rules of the present system, what may not be expected from the total abolition of all restrictive duties and other impediments to perfect freedom of trade in this country?

Even the most sanguine advocate of free-trade could hardly have foreseen such vast results in so short a time from such small beginnings.

It is, therefore, impossible to calculate beforehand what would be the state of trade in a very few years from the date of its perfect freedom and independence. But this is certain, that, in the absence of any national calamity from other causes, this country would

then be in a state of prosperity unexampled in any period of its past history ; and that, the example of this nation would be like a beacon of light to guide other nations of the world into the same track, that all may be as one nation, with one and the same interest, mutually interchanging, for their mutual benefit, the varied and peculiar gifts of climate, soil and produce, bestowed on each by a bounteous Providence, whose gifts are limited by no measure, and who would have all Mankind as one People, looking to one and the same God, the Giver of all, and for the equal good of all.

This is the first step to the establishment of peace on the firm foundation of one common and equal interest. Nations, like individuals, must learn from experience. They will then learn that, in the establishment of peace on earth they are all equally interested. The boundaries of kingdoms will then be of, comparatively, very little consequence, and when the people are duly impressed with all this, as proved to their own conviction, war will be no longer possible. Year by year they will be learning this through consequences which must convince them. They will feel in the freedom of trade their own freedom and worldly welfare, and they will learn to regard the rights and interests of others for the sake of their own, if for no other higher and better motives. In this way savage and barbarous people will be first taught to appreciate the comforts of civilisation, and they, in their turn, will become the promoters of civilisation by the same means. Year by year, under this teaching, the shackles of slavery and serfdom must be loosened, and in the end drop off. Slaves and serfs must be set free because it will be seen to be for the interests of all that they should be free. Freedom of trade will then be valued and guarded with no less jealous care in all countries than personal freedom now is in this country. To the freedom of the Press we

shall owe freedom of Trade, and we shall know how to value both. We shall claim and exercise the right to buy and sell as freely as we now speak and write. We shall learn to respect the grand simplicity of the Divine Commandments, written on tablets of stone by the first Lawgiver, and to submit ourselves more faithfully than we have ever done before to the Divine Spirit of those ancient and eternal Laws, given for all people, for all times, under all circumstances, and so plain as to require no Commentators. We shall learn through these to see the unwise severity, the feeble folly, and often the wicked injustice of human laws; and, in the enjoyment of our own natural and lawful rights, we shall learn to respect the natural and lawful rights of others. We shall learn that, what is commonly called "accommodating oneself to the prejudices of individuals, or showing a prudent respect" for strange customs and peculiar habits of thought, or for moral characteristics of nations, is nothing but a just appreciation of the intellectual and moral development of the individuals or nations, and the right employment, in each case, of precisely those agencies of civilisation which are fitted to be most effective. The work of legislation will then be comparatively simple, and the line of duty plain. The necessity of making just laws and enforcing them will then be universally acknowledged and supported, and there will be always a vast majority ready to enforce them. The complicated interests of society will then be no longer the miserable excuse for unjust and oppressive laws. Sovereigns and Governments will then find their own duties much more easy, and their own positions much more secure:—they will find their best security in the well-being and contentment of the People, and the People will find their greatest happiness in the preservation of peace and good order, which left them free to think and to act in all that concerned themselves alone;

to manage their own affairs in their own ways, and to enjoy the fruits of their own industry.

The People will then be encouraged to place confidence in sound principles, and they will regulate their own conduct more in accordance with reason and justice,—more consistent with humanity and prudence. They will learn to respect and apply, in the moral affairs of this world, those truths discovered through reason, which, in the physical world, are revealed to us through the laws of nature, and they will proceed to act with the same confidence in the one as in the other. Thus, they will derive incalculable advantages, far beyond the present reach of human foresight. Irreconcilable difficulties in the present complicated state of human affairs will then be simplified, and by degrees all will become reconciled with reason and truth. Freedom of trade, being seen to work for the equal benefit of all, will be recognised and established all over the world with universal consent, and freedom of thought and action must follow by the same universal assent.

Thus, a mutually beneficial intercourse would be encouraged with all civilised nations: all would contribute and receive: the bond of union would be always strengthening, and would be held fast by one common interest. Thus it might be,—thus it surely will be. It is only a question of time. But the sooner the better, for time must always be a question of life and death. We might then hope to see the world full of free nations: mankind a great family and household constituted of self-governing members, related to each other principally by voluntary ties,—of affection and honor and mutual service. We might then hope to see national selfishness perish, and the whole world become a commonwealth of independent nations, with England foremost in the good work of promoting the spirit of human brotherhood.

Such was the view of Dr. Chalmers, as may be seen in the concluding part of his last work on Political Economy, sent by Dr. Chalmers, with a much valued letter from himself to the present writer. As the opinion of such a man on such a subject will be received by men of all parties with the most respectful consideration, the following is given in his own words :—

“ We cannot bid adieu to our argument without making the strenuous avowal that, all our wishes and all our partialities are on the side of the common people. We should rejoice in a larger secondary, and a smaller disposable population ; or, which is tantamount to this, in higher wages to the laborers, and lower rents to the landlords. But this cannot be effected, save by the people themselves ; and that not by violence on their part, or by any assertion, however successful, of a political equality with the other orders of the State. There is no way of achieving for them a better economical condition, than by means of a more advantageous proportion between the food of the country and the number of its inhabitants ; and no other way of securing the proportion than by the growth of prudence and principle among themselves. It will be the aggregate effect of a higher taste, a higher intelligence, and, above all, a wide-spread Christianity throughout the mass of the population ; and thus the most efficient ministers of that gospel which opens to them the door of Heaven, will be also the most efficient ministers of their temporal comfort and prosperity upon Earth. Next to the salvation of their souls, one of our fondest aspirations on behalf of the general peasantry is, that they shall be admitted to a larger share of the world’s abundance than now falls to their lot. But we feel assured that there is no method by which this can be wrested from the hands of the wealthier class. It can only be won from them by the insensible growth of their own virtue.”

This opinion will be shared by most readers. It is not desirable, nor is it believed to be desired by many in this country, that anything should be *wrested* from the wealthier classes; but only that there should be a more equal distribution among all classes of the abundant gifts of nature in the necessities of life, and that this should be won by the virtue of the people, on the one side, from the just concessions of the wealthier classes, on the other side, for the increase of wealth and its only true enjoyment to all. But higher wages to the laborers does not involve lower rents to the landlords.

That this great and most desirable object can be accomplished only by the wealthier classes taking upon themselves the burden of taxation, for the relief of the lower classes; thereby bringing the necessities and healthful conveniences of life within the reach of the poorest, and thereby lifting up the lowest to better hopes and higher self-respect, was the opinion of Dr. Chalmers, and this was the unceasing aim of his ministry and labor of love on earth.

It is a truth which cannot be denied that, life, to the many, is made too hard, too wearisome: that this world's abundance is not fairly distributed—is not distributed according to the original intention and design. There is a great and general mistake about the objects and duties of this life.

As Dr. Johnson said:—

“Life consists not in a series of illustrious actions; the greater part of our time passes in compliance with necessities—in the performance of daily duties—in the removal of small inconveniences—in the procurement of petty pleasures; and we are well or ill at ease as the main stream of life glides smoothly or is ruffled by small and frequent interruption.”

It is an ill part in a Government which requires the

whole of our time to be passed in compliance with necessities—in the performance of daily duties; which increases the small inconveniences, diminishes the petty pleasures, and prevents the main stream of life from gliding smoothly, by many and not small interruptions.

What Government on the face of the earth is free from this reproach?

GENERAL REVIEW.

In reviewing the taxation of this Country, it is impossible to come to any other conclusion than that, it has grown up with the Country, and has been imposed from time to time under pressing emergencies, without any system, and by selfish and interested classes, who consulted only what they believed to be their own interests, regardless of consequences to others.

Thus was imposed the great burden of taxation on corn and wine and all other intermediate necessities and comforts of life, under the notion that the taxes, so disguised, would be spread over the great mass of the people, who would know little or nothing about it, and who, in fact, had little or nothing to do with the making of the laws. Nor is this any fanciful imputation. Mr. M'Culloch, before quoted, describes a tax “to be *direct* when it is immediately taken from property or labor; and *indirect* when it is taken from them by making their owners pay for liberty to use certain articles or to exercise certain privileges.” Assuming this definition, mark his reasons for his preference. He says:—

“Indirect taxes have, with few exceptions, been the greatest favorites both of princes and subjects, and there are very sufficient reasons for the preference of which they have so generally been the objects. The burden of direct taxation is palpable and obvious. It admits of no disguise or concealment, but makes every one fully

sensible of the exact amount of his income taken by Government. We are all, however, extremely averse from parting with property, except we obtain some more acceptable equivalent in its stead. And the benefits derived from the institution of government, though of the highest importance, being neither so very obvious nor striking as to be readily felt and appreciated by the bulk of the people, there is, in the great majority of cases, a strong disinclination to the payment of direct taxes.

“For this reason, Governments have generally had recourse to those that are indirect. Instead of exciting the prejudices of their subjects by openly demanding a portion of their incomes, they have taxed the articles on which these incomes are usually expended. This ingenious plan conceals the amount of taxation, and makes its payment appear in some measure voluntary. The tax being generally paid, in the first instance, by the producers, the purchasers confound it with the actual price of the commodity. No separate demand being made upon them for the tax, it escapes their recollection, and the article which they receive seems the fair equivalent of the sacrifice made in acquiring it. Such taxes have also the advantage of being paid by degrees, in small portions, and at the time when the commodities are wanted for consumption, or, when it is most convenient for the consumers to pay them.”

A more conclusive argument than this against *indirect* taxation it is impossible to imagine. This is very like the reasoning of a set of thieves, or swindlers, and the meaning of it all, in a few words, is that, the Government intentionally deceives the people, who, being ignorant, or confounded and confused, are unconscious that they are swindled,—the fact “escapes their recollection,” and they are deceived and defrauded. The question whether or not this deception be for the benefit

of the People remains the same. If this "ingenious plan" be really for their benefit, by lightening the burden, nothing can be said against it; but if, on the contrary, the burden be increased, and the evil greatly aggravated by placing the greater part of the burden on the wrong shoulders, then this "ingenious plan" is a disgraceful fraud. And such, indeed, was the origin of this "ingenious plan" of *indirect* taxation. Until the reign of Charles the First, no considerable attempt had been made to substitute indirect for direct taxation; and that attempt, when made, gave rise to much political agitation. That unfortunate King's object was, to obtain money, but to obtain it by this means was then held by many to be swindling.

It is much to be regretted when a person of admitted abilities and great industry lends himself to a Government for the support of views which it is difficult to believe that he can seriously entertain, and if he should be influenced by the emoluments of a place under the Government, (which in this case no one has any right to assume) the fewer places at the disposal of the Government the better, and very few would be at their disposal if all *indirect* taxes were at once swept away.

The real question, therefore, is in no degree advanced by this view. But when the chief argument in favor of any measure rests on Concealment, that alone affords a strong ground for suspicion that something unfavorable to a fair conclusion is concealed. The pretended "advantage of being paid by degrees, in small portions," is very like a recommendation of slow poison, because it may be administered "by degrees, in small portions."

What if our revenue laws do depress and diminish the trade and manufactures of the country,—do deprive the laborer of a fair reward of his labor,—do sink all the laboring classes more or less in poverty, and often in guilt and wretchedness,—what, then, is this "ingenious

plan of concealment," but a disgraceful trick and shameful fraud upon the People, too ignorant, or too helpless to prevent it?

Not on such ground as this, however ingenious the plan, can it be much longer maintained. When the eyes of the working classes are opened, and when they see the large amount of taxation which they are paying out of their own labor, and the large amount of unnecessary suffering thereby inflicted upon them, they will no longer consent; and then the Government will find out that, the most ingenious plan is, to consult the real welfare of the people.

To open the eyes of the People that they may clearly distinguish between good and evil,—may see their own good, and wisely seek it,—is the present object. To show them their true position, and that the true interests of all Governments and People are identical and inseparable; that no mixture of evil is ever necessary for any really good purpose; and those who act as if it were, are really doing evil that good may come, or, in other words, serving the devil, that God may serve them.

What folly for a man to do that now which he must certainly undo again by repentance, or be undone for ever! That is a dangerous cant, as Archbishop Whately says, now-a-days heard so often:—"There is some truth in so and so." *Some truth!* yes:—the serpent had some truth in what he said: the forbidden tree *was* a tree of knowledge: and there was some truth in Eve's reflections. It was "pleasant to the eye," and desirable "to make one wise." Here was the love of the beautiful, and of knowledge, in the very first sin that was committed.

The first step to show the people their true position is, the simplification of the public accounts, that the people may understand them. Instead of mystifying,

to confuse and deceive, it is the duty, as well as the policy, of every Government to simplify, for the purpose of making clear and intelligible to all.

Against the authority, before quoted, for mystification and deception, the following opinion of the late Sir Robert Peel may be quoted for those who are disposed to look back to his opinion as an authority on this subject.

In his speech, on moving the appointment of a Finance Committee, 15th February, 1828, he said:—"There is one point on which I have always had a strong feeling. I allude to the advantage and necessity of a simplification of the public accounts. No man is more desirous than I am to see the public accounts presented in the simplest possible form. I see no reason why we should not in this respect follow the example set us by France and the United States of America. I am quite certain that we should do well to profit by such examples, and I can see no disadvantage attending it."

And again:—"I am convinced that nothing can be more fruitless or impolitic than to introduce anything like mystification or suppression into a view of the public finances of the empire. These matters are, I take it, much more simple than they appear to be on the face of ordinary official statements of them. There is, in fact, not the slightest difference between the calculations formed upon many millions and upon a few pounds, or between the expenditure of a humble individual and that of a rich and powerful country. They depend upon the same principles and must be governed by the same laws, and one might as well contend that, the rules of arithmetic applying to the sums with which we ordinarily deal in the course of domestic occurrences do not apply to the division or sub-division of many millions of money, as to suppose that the finances of a

country, however great or important they may be, must not, after all, rest on the same principles and be governed by the same rule as the finances of an individual."

It is quite true that the speeches in Parliament of the late Sir Robert Peel may be referred to in support of almost any view of almost any question of State policy which ever came before him as a Statesman, and that his imperfect perception or acknowledgment of any fixed principle renders him but an uncertain authority on any great question of State policy. This is true, and will, undoubtedly, be more apparent when a greater distance of time shall have intervened. In the mean time he may be assumed to be, on the question of taxation, at least, an equal authority to the authority before quoted; and, to those who think so, the following opinion expressed by Sir Robert Peel, in his place in the House of Commons, in his speech on the Income Tax, on the 23rd March, 1842, may appear worthy of notice. Speaking of all taxes, direct or indirect, as bearing more or less unequally on those who pay them, he said:—"All indirect taxation has a natural tendency to produce injustice, and I have ever thought that the chief argument relied on in opposition to the taxation of articles of consumption was, that if beer, or any such article were exposed to it, *the tax always operated unjustly.*"

And, in a former debate on taxation, on the 30th April, 1833, he said:—"Indirect taxation may be carried too far. It has limits beyond which it gives rise to smuggling, and defeats the object in view."

And, in this view, he seems to have been strengthened by experience, for, in making his financial statement to the House of Commons on the 11th March, 1842, he spoke as follows:—"If, then, it is necessary for me to have fresh taxation, shall I lay it upon articles of sub-

sistence—upon those articles which may appear to some superfluities, but which are now become almost the necessities of life? I cannot consent to increase the taxation upon articles of subsistence consumed by the great body of the laboring portion of the community. I do think that you have had conclusive proof that you have arrived at the limits of profitable taxation on articles of subsistence. I advise you not to increase taxation in this respect, for, if you do, most assuredly you will be defeated in your object.”

If, then, this be a true and safe view,—and who can doubt it,—why should not the government and the people cordially co-operate for that which most concerns the common interests of all, for the establishment of the wisest and best system of taxation which human ingenuity can devise,—not by stealthy and indirect, but,—by open and direct means?

And what is there in the Scheme proposed, which any party or class of the people can fairly complain of?

Here is no change proposed to the injury of any party,—no interference with vested rights,—no partial legislation for class interests,—and no innovation on the principles of the British Constitution; but simply a return to a law 180 years old,—(then only an ancient law restored)—passed in the reign of one of the greatest and wisest of our Kings, who, though a Foreigner, was the most patriotic Sovereign who ever guided the destinies of this nation, and to whom we are mainly indebted, under Providence, for all the most precious privileges which, as a Protestant People, we now possess.

What, then, is the change here proposed, and what is there, in principle or in detail, in this change, which any class of the people can reasonably fear, or fairly complain of?

The land, as already shown, is the foundation-stone of the State, on the security of which the safety and pro-

sperity of all depends. As such, it is respected and preserved. All its just rights and privileges are proposed to be maintained on the sound basis of equal protection to all descriptions of property. But this supposes a distribution of States Taxes equally over all realised property. One and the same tax, and one only, is proposed to be levied on all realised property within the defined description, and this being a direct tax, easily levied, and collected at a comparatively trifling cost, will pass directly from the pockets of the People, into the Exchequer of the State, without any of those fearful diminutions from hosts of revenue officers, and those inseparable consequences, fraud and negligence; and, still more important, without any of those injurious impediments to the trade and manufactures of the country which must attend upon the present system of Customs and Excise Duties. As already shown, the land would then bear only a just proportion of the State taxation, and that would be, in effect, less than it bears now. The local liabilities, which must necessarily fall on land, would remain the same, unless, as may be reasonably expected from the increased prosperity of the country, the present dead weight of the poor rate be greatly diminished, which would be so much relief in favour of the land.

In addition to all these great but appreciable gains, would be those still greater but inappreciable gains to the whole nation, in the escape from all the confusion and demoralising effects of the present system, to one of simplicity and clearness, which would "admit of no disguise or concealment, but would make every one fully sensible of the exact amount of his income taken by Government," and would thereby admit of those wholesome checks, which are the best securities for good government—for the real welfare and happiness of the people, and for the greatness and prosperity of the nation.

The produce of one Property tax and one Personal tax, with the revenue from the Crown Lands, would then constitute the whole Income of the Nation.

The expenditure of this Income by the Government, which is now, in theory, but not in practice, under the control of the people, would then be, both theoretically and practically, under their control; or, if not, it would then be their own fault.

It is in vain for the People to talk of Administrative Reform, until they have obtained this control, and the first step towards this is, a full and correct understanding of the actual state of the Public Accounts. This can be obtained only by Accounts of Receipts and Payments, in an intelligible form, duly vouched and audited.

This is only common prudence in the conduct of every private family, and, as Adam Smith said:—“What is prudence in the conduct of every private family, can scarce be folly in that of a great Kingdom.” An exact knowledge of the revenue and expenditure of the nation cannot be less desirable to an honest and well-meaning Government, than to the People; and the greater the revenue and expenditure, the more important is this knowledge for guarding against unnecessary expenses.

As shrewdly remarked by Archbishop Whately, it is a curious circumstance and the reverse of what many would expect, that the expenses called for by a real, or *imagined*, necessity of those who have large incomes, are greater in proportion than those of persons with slenderer means; and that, consequently, a larger proportion of what are called the rich are in embarrassed circumstances than of the poorer. This is often overlooked, because the *absolute number* of those with large incomes is so much less that, of course, the absolute number of persons under pecuniary difficulties, in the poorer classes, must form a very great majority.

But if you look to the *proportions* it is quite the reverse. Take the number of persons of each amount of income, divided into classes, from £100 per annum, up to £100,000 per annum, and you will find the percentage of those who are under pecuniary difficulties *continually augmenting* as you go upwards. And when you come to Sovereign States, whose revenues are reckoned by millions, you will hardly find *one* that is not deeply involved in debt! So that it would appear that, the larger the income, the harder it is to live within it.

When men of great revenues live in splendour and sensuality they are apt to plead that this is *expected* of them, which may be, perhaps, sometimes true, in the sense that such conduct is anticipated as *probable*; not true, as implying that it is required, or approved. A person may fairly expect that another who has received kindnesses from him should protect him in distress; yet, he may have reason to expect that he will not. "England expects every man to do his duty;" but it would be chimerical to expect a universal performance of duty.

What may be reasonably expected (in one sense of the word) must be precisely the practice of the majority; since it is the majority of instances that constitutes *probability*. What may be reasonably expected (in the other sense) is something much beyond the practice of the generality; as long, at least, as it shall be true that, "Narrow is the way that leadeth to life, and few there be that find it."

What, then, may be expected from Governments it is needless to say; but, as sure as the majority of instances constitutes probability, so surely may the people expect that, if they do not themselves understand and look after their own interests, they will be mismanaged, and the expenditure of public monies

will not be always regulated by a due regard to public interests.

The argument of Coleridge, and others, often used,—as to the produce of those taxes the expenditure of which is amongst our own fellow-subjects, may, and does, mislead not a few. Powder and guns, and ships of war, cost a great deal, but this cost is a gain to the manufacturers of powder, guns, etc.

And thus, some people bring themselves to fancy that the country altogether does not sustain any loss at all. Of course, if a heavy expenditure be incurred in armaments, when necessary for the defence of our just rights, this is not to be accounted a waste, any more than the cost of bolts and locks to keep out thieves. But the argument, as often used, does not at all look to any such necessity, but would equally hold good if the money had been expended in gunpowder to be expended in fireworks, or in paying soldiers for amusing us with sham-fights. For, in that case, also, the expenditure would have gone to *our own* people equally.

The fallacy consists in not perceiving that, though the labor of the gunpowder makers, soldiers, etc. is not unproductive to *them*, inasmuch as they are paid for it, it is unproductive to *us*, as it leaves no valuable results. If gunpowder be employed in blasting rocks, so as to open a rich vein of ore, or coal, or to make a useful road, the manufacturer gets his payment for it just the same as if it had been made into fireworks; but, then, the mine, or the road, will remain as an article of wealth to him who has so employed it. After having paid for the powder, he will be still richer than he was before; whereas, if he had employed it for fireworks he would have been so much the poorer, since it would have left no results.

When, however, war expenditure does result in the conquest of some territory, and this territory brings in

some tribute or other profit beyond the cost of conquering it and keeping it in subjection,—which is not often the case,—then, it must be admitted,—waiving all considerations of justice and humanity,—that something has been gained. But the revenue thus wrested from a subjugated country, must evidently impoverish the one party, as much, at least, as it enriches the other.

On the other hand, the revenue derived from other lands by Commerce enriches *both* parties; since the exchange of a cargo of hardware, for instance, for a cargo of silks, implies that the one who parts with the silk for the hardware finds the latter the *more* valuable to him, and *vice versâ*. And thus, both *advance* in prosperity.

And thus, as Archbishop Whately observes,—it may be regarded as a general rule, that States are not exempt from the influences of the same causes which, in the affairs of individuals, produce good or bad success. That the general tendency of each particular virtue and vice in individuals is to produce corresponding worldly advantages and disadvantages, is a doctrine which, in a speculative point of view, at least, few would be disposed to controvert. And though this general rule admits of such numerous exceptions that, a right-minded and considerate man would not venture, in the case of any individual, to infer that his success in life had precisely corresponded with his deserts; or, decidedly to promise, for example, prosperity to the honest, frugal, and industrious; and denounce certain ruin to the profligate; yet, he would not feel less convinced of the certainty of the general rule,—that such conduct will, for the most part, be attended with such consequences.

“Thus, though we are not to believe that regular *temporal* rewards and punishments are dispensed under the moral government of God to nations, yet, the general rule by which temperance and integrity and industry tend, in private life, to promote each man’s health and

reputation, and prosperity, is applicable to Nations also: Unprincipled aggression will, usually, provoke, sooner or later, a formidable retaliation; and, on the other hand, moderation and good faith have manifestly a general tendency to promote peace and internal prosperity."

The moral rule to be drawn from these remarks is, that it is one of the first duties of every people, to look to their ways, and to mind their own affairs.

Now, the first step to minding one's own affairs, is to understand them; and this should be the first object of a free and intelligent people. By far the greatest part of the evils, in this and every other country, may be traced to bad legislation; a cause which never could have existed, or, at least, never would have been permitted to continue, if the people had better understood their own affairs. It is impossible to suppose that the sacrifice of vast wealth, on the part of a whole people, for the gain—and that, comparatively, a trifling gain—of a handful of monopolists, would have been submitted to patiently, so often, and so long, as it has been, as a necessary effect of the system pursued, if that system had been better understood, and the effect seen. But the fact is, the gain has been *concentrated* and the loss diffused. This would not have occurred so often as it has were it not that this diffusion of the loss causes its existence—that is, its existence as a loss so increased—to be unperceived. If thirty millions of persons are each virtually taxed half-a-crown a year in the increased price of some article, through the prohibition of free trade, perhaps, not above a shilling of this goes to those who profit by the monopoly. But this thirty millions of shillings, amounting to £1,500,000 per annum, is divided, perhaps, among a few hundred persons, who clearly *perceive* whence their revenue is derived; and who, when such an income is at stake, will combine together, and use every effort and

artifice to keep up the monopoly. The losers, on the other hand, the people, not only have, each, much less at stake, but are, usually, ignorant that they do lose by this monopoly, else they would not readily submit to pay half-a-crown, or even one shilling, as a direct *pension* to a few hundred men who had no claim on them.

Such was the effect, but in a much more aggravated degree, of our system of Corn-laws, and other prohibitory or restrictive laws on articles of food or other daily necessities; some of the worst of which are now repealed, but too many of which still remain.

Of these last are the Customs and Excise Laws, the effect of which is, as already shown, to take three shillings and sevenpence farthing out of the pocket of every house-keeper in this kingdom, for the purpose of putting one Shilling into the Exchequer of the State; to say nothing of the loss of a much larger sum thereby prevented from coming fairly into the pocket of every house-keeper so wronged.

All these and a multitude of other cases come under the general formula before stated;—the tendency to over-rate the amount of whatever is seen and known, as compared with what is unknown, or less known, unseen, and indefinite.

It is inconceivable that, if the people understood this, they would so patiently submit to it. The people feel sorely, but do not see, the heavy burden which they are bearing. This is the effect of the “*indirect* taxes, which have been the greatest favorites both of princes and subjects,” and “for this reason, governments have generally had recourse to those that are indirect,” because “this ingenious plan conceals the amount of taxation, and makes its payment appear in some measure voluntary” (!)

Governments must, indeed, have been at their wits' end when they resorted to taxes on the necessities of

life, in food and clothing,—on knowledge, in paper—(now happily abolished)—and on discoveries for the benefit of mankind, in Patents for inventions—when they stooped to pick the pockets of pedlars and pawnbrokers, attornies and auctioneers, special-pleaders and appraisers, conveyancers and cab-drivers, bankers and bagsmen, and some other helpless victims, of a few pounds a year in the form of fees for licences to trade, and to practise their callings! That these miserable shifty contrivances should ever have been resorted to is strange, but that these, and many more like them, should be continued in these days of intellectual advancement is marvellous, and not a little discreditable to the present state of national intelligence.

But all these great and small impediments to progress may now be at once swept away, and the whole revenue of the State may be drawn directly from the simple source of all national wealth, and in a manner open and intelligible to all classes.

Suppose Free Trade in full operation. What then would be the wealth of Great Britain, the undisputed market of the World? What then might be, and most probably, would be, the prosperity of the People, and the greatness of the Nation?

It is for the People to answer these questions. It is for the People to accomplish these objects for themselves; and for this we may be sure,—for we shall then be acting in conformity with providential laws,—that all that is needful is, “steadfastness within, and immovable resolve;”—a united will, with united action.

This has been the secret of success with all the mighty hunters of mankind from Nimrod to Napoleon; and if often applied with success to the objects of personal ambition, it is, surely, therefore not the less applicable when the objects are, the wealth of the Nation and the prosperity of the People.

In reviewing the evidence, here brought together, of the results of our present advance to Free Trade, the following appear to be fair and just conclusions :—

1. That, every step towards Free Trade has been immediately followed by a large increase of revenue to the State, and rise in the rate of profits and wages, with corresponding increase of employment and comforts to all the working classes.

2. That to the removal of impediments is to be attributed the great and rapid growth of the foreign trade, and the present flourishing condition of the agriculture of the country.

3. That, but for the relief thus afforded, the burden of taxation, aggravated by the evils of Customs and Excise duties, which diminished the real value of wages, by rendering a large class of imported articles, more or less necessities of daily life, scarce and dear, and still further aggravated by complicated and vexatious laws, which kept back industry and capital from profitable employment, must have reduced trade and agriculture, and consequently all classes of people in this country, to a state of unexampled depression and misery.

4. That, in a Country like Great Britain, of circumscribed area, with a manufacturing population and large external trade,—political liberty alone is not sufficient to preserve society from danger of retrogression ; but that quite as vital to the general interests is a perfect freedom of trade and industry, and an equal adjustment of taxation.

5. That, all experience has proved that, by repealing Customs and Excise duties, and so framing legislation as to make available the immense resources at command, and to bring within reach of the great body of the population, not only the necessities of daily life, but also other articles of comparative luxury and comfort, by reducing these to the lowest market price, the

revenue will be placed upon a more firm and safe basis, and the number and amount of the taxes may be greatly diminished.

6. That, all experience has proved that, extension of markets, and a vast increase of demand, take place concurrently with a gradual diminution in the cost of imported commodities, with a range of prices so free from extreme and artificial fluctuations as to tend rapidly to a level, interrupted only by such variations as arise wholly from mercantile or natural causes.

7. That, the events which have taken place since 1845, justify the confident expectation that, the adoption of Free Trade, by foreign countries, is a simple question of time, the fact being that, every year which is suffered by foreign countries to elapse, before they adopt the same commercial level as Great Britain, will be so many years of a balance of trade in favor of this country.

8. That, the principle is invariably true and safe to be relied on, that every reduction of duties which admits a larger quantity of the produce of foreign countries must, at least, be paid for by commodities which it is profitable to this country to export, whatever may be the degree of folly or wisdom displayed in the tariffs of the foreign countries to which they are sent.

It is, therefore, certain that the country with low duties obtains the benefit of a larger trade, and it is equally certain that, hostile high duties injure chiefly the revenue and subjects of the State which imposes them. It follows, as a necessary consequence, that the country which imposes no duties gains the benefit of a still larger trade.

These principles were comprised in that celebrated Petition from the Merchants of London, prepared by Mr. Thomas Tooke, and presented by Mr. Alexander

Baring, afterwards Lord Ashburton, on the 8th May, 1820, to the House of Commons.

In that Petition it was stated :—

“ That the prevailing prejudices, in favor of the protective or restrictive system, may be traced to the erroneous supposition that every importation of foreign commodities occasions a diminution, or discouragement, to our own productions to the same extent : whereas, it may be clearly shown that, although the particular description of production which could not stand against unrestrained foreign competition would be discouraged, yet, as no importation could be continued for any length of time without a corresponding exportation direct, or indirect, there would be an encouragement, for the purpose of that exportation, of some other production to which our situation might be better suited ; thus affording, at least, an equal, and, probably, a greater, and, certainly, a more beneficial employment to our own capital and labor.

“ That, of the numerous protective and prohibitory duties of our commercial code, it may be proved that while all operate as a very heavy tax on the community at large, very few are of any ultimate benefit to the classes in whose favor they were originally instituted, and none to the extent of the loss occasioned by them to other classes.”

And, with regard to the Customs Duties, the Petitioners made the following important admission :—

“ As long as the necessity for the present amount of revenue subsists, your Petitioners cannot expect so important a branch of it as the Customs to be given up, nor to be materially diminished, *unless* some substitute, less objectionable, be suggested.”

If the time and state of public opinion be considered, when this remarkable document was produced,—now more than fifty years ago,—the close and accurate rea-

soning and the forcible expression of the whole of this petition will be the more striking ; and it will, certainly, be recorded in history as the foundation stone on which Free Trade has been established, and on it will be found inscribed, in imperishable letters, the honored name of THOMAS TOOKE.

and the former expression of the whole of the
 position will be the more striking, and it will be more
 be recorded in history as the first time on which
 free trade has been established in the world.
 included in the same class of measures.
 Thomas Tooke.

PART IV.

OBJECTIONS ANSWERED.

NOTES

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PART IV.

OBJECTIONS ANSWERED.

 INNOVATION.

To follow in the footsteps of our Ancestors is, with many, associated with a sort of religious feeling of duty ; and any one who suggests that these are only leading us round in a circle, and thereby preventing any progress, is too often looked upon as an evil-disposed person, on whom some hard name is fixed, to designate him as belonging to a class dangerous to good order and decorum in society, and, therefore, to be avoided.

It is this self-wisdom of self-deceivers which has ever retarded the instinct of man's nature for progress and improvement ; which sees innovation in change, and does not see that Time is the greatest innovator.

Lord Bacon wisely wrote in his day :—

“ If time, of course, alters things for the worse, and wisdom and counsel shall not alter them to the better, what shall be the end ? It is true, that what is settled by custom, though it be not good, yet, at least, it is fit ; and those things which have long gone together are, as it were, confederate with themselves ; whereas, new things piece not so well : but though they help by their utility, yet they trouble by their unconformity ; besides,

they are like strangers, more admired, and less favored. All this is true, if time stood still ; which, contrariwise, moveth so round, that a forward retention of custom is as turbulent a thing as an innovation ; and they that reverence too much old times are but a scorn to the new.

It were good, therefore, that men in their innovations would follow the example of time itself which, indeed, innovateth greatly, but quietly, and by degrees scarcely to be perceived."

The truth is,—as observed by Archbishop Whately, in his comments on the text of Lord Bacon,—that, in all the serious and important affairs of life, men are attached to what they have been used to, and this holds good in all departments of life. New medicines, for instance, come into vogue, from time to time, with or without good reason ; but a fundamentally new *system* of medicine, whether right or wrong, is sure to have the strongest prejudices enlisted against it. If, when the celebrated Harvey discovered the circulation of the blood, he had, on the ground that people often readily introduced some new medicine, calculated on a favorable reception, or even a fair hearing for his doctrine, which went to establish a fundamental revolution, he would soon have been undeceived by the vehement and general opposition with which he was encountered. And it was the physicians of the highest standing that most opposed Harvey. It was the experienced navigators that most opposed Columbus. It was those most conversant with the management of the Post Office that were the last to approve of the uniform penny-postage.

For, the greater any one's experience and skill in his own department, and the more he is entitled to the deference which is proverbially due to each man in his own province, the more likely, indeed, he will be to be

a good judge of improvements in details, or even to introduce them himself, but the more *unlikely* to give a fair hearing to any *radical* change. An experienced stage-coachman is likely to be a good judge of all that relates to turnpike-roads, and coach-horses; but you should not consult him about rail-roads, and steam-carriages. Again, every one knows how slowly and with what difficulty farmers are prevailed on to adopt any new system of husbandry, even where the faults of an old-established usage, and the advantage of a change can be made evident to the senses.

An anecdote is told, by Archbishop Whately, of a gentleman who, in riding through the deep and shady Devonshire Lanes, became entangled in the intricacies of their numberless windings, and not being able to obtain a sufficiently wide view of the country to know whereabouts he was, trotted briskly on in the confident hope that he should at length come to some house whose inhabitant would direct him, or to some more open spot from which he could take a survey of the different roads, and observe whither they led. After proceeding a long time in this manner, he was surprised to find a perfect uniformity in the country through which he passed, and to meet with no human being, or come in sight of any habitation. He was, however, encouraged by observing, as he advanced, the prints of horses' feet, which indicated that he was in no unfrequented track; these became, continually, more and more numerous the further he went, so as to afford him a still increasing assurance of his being in the immediate neighbourhood of some great road, or populous village; and he accordingly paid less anxious attention to the bearings of the country, from being confident that he was in the right way. But still he saw neither house, nor human creature, and, at length, the recurrence of the same objects by the road-side opened his eyes to the fact, that, all this time, misled by

the multitude of turnings, he had been riding in a circle, and that the foot-marks, the sight of which had so cheered him, were *those of his own horse*, their number, of course, increasing with every circuit he took. - Had he not fortunately made this discovery, perhaps he might have been riding there now.

The truth of this tale does not make it the less useful by way of apologue; and the moral we would deduce from it is, that in many parts of the conduct of life, and, not least in government and legislation, men are liable to *follow the track of their own footsteps*—to set themselves an example—and to flatter themselves that they are going right, from their conformity to their own precedent.

It is commonly and truly said, when any *new and untried* measure is proposed, that we cannot fully estimate the inconveniences it may lead to in practice; but we are convinced this is even still more the case with any system which has *long been in operation*. The evils to which it may contribute, and the obstacles it may present to the attainment of any good, are partly overlooked, or lightly regarded, on account of their familiarity, partly attributed to such other causes as perhaps really do co-operate in producing the same effects, and ranked along with the unavoidable alloys of human happiness,—the inconveniences from which no human policy can entirely exempt us.

In some remote and unimproved districts, if you complain of the streets of a town being dirty and dark, as those of London were for many ages, the inhabitants tell you that the nights are cloudy and the weather rainy; as for their streets, they are just *such as they have long been*; and the expedient of paving and lighting has occurred to nobody. The ancient Romans had, probably, no idea that a civilised community could exist without slaves. That the same work can be done much better

and cheaper by freemen, and that their odious system contained the seeds of the destruction of their empire, were truths which, familiarised as they were to the then existing state of society, they were not likely to suspect. "If you allow of no plundering," said an astonished Mahratta chief to some English officers, "how is it possible for you to maintain such fine armies as you bring into the field?" He and his ancestors, time out of mind, had, doubtless, been *following their own footsteps* in the established routine; and had accordingly never dreamed that pillage is inexpedient as a source of revenue, or even one that can possibly be dispensed with. Recent experiment, indeed, may bring to light, and often exaggerate, the defects of a new system, but *long familiarity* blinds us to those very defects.

The practical consequence of this attachment of men to what they have *long* been used to is, that it is a good point gained, when there does exist need for a change, even though little or nothing of improvement, because we may look forward with cheering hope to *a remedy of the remedy*—a removal of the newly introduced evils, as a change far more easily to be brought about, than the first change. Alterations in any building are easily made *while the mortar is wet*. So it is in legislation, and in all human affairs. While the most inconvenient and absurd laws are suffered to remain unchanged for successive generations, hardly an Act is passed that any defects in it are not met by "Acts to amend" it in the next and succeeding Sessions.

To avoid the two opposite evils noticed by Lord Bacon,—the liability to sudden and violent changes, and the adherence to established usage, when inconvenient or mischievous,—to give the requisite stability to governments and other institutions, without shutting the door against improvement,—this is a problem which both ancient and modern legislators have not well succeeded

in solving. Some, like the ancient Medes and Persians, and like Lycurgus, have attempted to prohibit all change; but those who constantly appeal to the wisdom of their ancestors, as a sufficient reason for perpetuating anything these have established, forget two things: first, that they cannot hope for ever to persuade all successive generations of men that there was once one generation of such infallible wisdom as to be entitled to control all their descendants for ever: which is to make the earth, in fact, the possession not of the living, but of the dead: and, secondly, that even supposing our ancestors gifted with such infallibility, many cases must arise in which it may be reasonably doubted whether they themselves would not have advocated, if living, changes called for by altered circumstances.

An antiquated form, however perverted from its original purpose, gratifies the lazy in their love of ease; it averts the mortification of confessing error, which is always so abhorrent to the self-satisfied stupidity of those who grow old without gaining experience.

It is to be observed, however, that in almost every department of life, the evil that has very long existed will often be less clearly perceived, and less complained of, than in proportion to the actual extent of the evil.

If you look to any department of government, or to any parish or diocese that has long been left to the management of apathetic or inefficient persons, you will find that there are few or no complaints. Because complaints which have long since been found vain, will have long since ceased to be made; there will be no great arrears of business undone, and of applications unanswered, because business will not have been brought before those who, it is known, will not transact it; nor applications made, to which no answer can be hoped for; abuses and defects and evils of various kinds, which ought to have

been remedied, men will have learned to submit to, as to visitations of Providence, having been left without redress till, at length, they have forgotten that any redress is due, or is possible. And this stagnation will come to be regarded as the natural state of things.

But it is far from being sufficient, as seems to be the notion of some persons, to show that the present is not the *fittest conceivable* occasion for taking a certain step.

Besides this, it is requisite to show, not merely that a better occasion may be *imagined*, or that a better occasion is *past*, but that a more suitable occasion is likely to arise *hereafter*, and how soon; and also that the mischief, which may be *going on during the interval*, will be more than compensated by the superior suitableness of that future occasion; in short, that it will have been worth waiting for.

And, in addition to all this, it is requisite to show also the probability that, when this golden opportunity shall arise, men will be more *disposed to take advantage* of it, than they have heretofore appeared to be;—that they will not again fall into apathetic security, and fondness for indefinite procrastination.

This last point is as needful to be established as any; for it is remarkable that, those who deprecate taking any step *just now*, in these times of extraordinary excitement, did not, on those former occasions, come forward to propose taking any advantage of a comparatively calmer state of things. They neither made any call, nor responded to the call made by others.

And, indeed, all experience seems to show,—comparing the apathy on the subject which was so general at those periods, with the altered state of feeling now existing,—that a great and pressing emergency and *nothing else*, will induce men to take any *decided* step; and that a period of discussion and perplexing difficulty

is, though not *in itself*, the most suitable occasion for such a step, yet, constituted as human nature is, the best, because the *only*, occasion on which one can hope that it will be taken.

Still, however, we must expect to be told by many that, sooner or later matters will come right, spontaneously, if left untouched; that, *in time*, though we cannot tell how soon, a period of extraordinary excitement is sure to be succeeded by one of comparative calm.

In the meantime, it is forgotten at *what cost* such spontaneous restoration of tranquillity is usually purchased—how much the fire will have consumed before it shall have burnt out of itself.

The case is very similar to what takes place in the natural body; the anguish of acute inflammation, when left to itself, is succeeded by the calm of a mortification; a limb is amputated, or drops off, and the body, but no longer the whole body, is restored to a temporary ease, at the expense of a mutilation.

It is true that, whatever is established, and already existing, has a presumption on its side, that is the burden of proof lies on those who propose a change.

No one is called on to bring reasons *against* any alteration, till some reasons have been offered *for* it. But the deference which is thus claimed for old laws and institutions is sometimes extended to what are called, “the good old times,” as if the world had formerly been older, instead of younger, than it is now. But it is manifest that, the advantage possessed by *old* men, that of long experience, must belong to the present age more than to any preceding.

Is there not then some reason for the ridicule which Lord Bacon speaks of, as attaching to those “who too much reverence old times”? To say that no changes shall take place, is to talk idly. We might as well pre-

tend to control the motion of the earth. To resolve that none shall take place *except* what are undesigned and accidental, is to resolve that, though a clock may gain or lose indefinitely, at least we will take care that it shall never be regulated. "If time" (to use again Bacon's warning words) "alters things to the worse, and wisdom and counsel shall not alter them to the better, what shall be the end?"

It is to be observed that hurtful changes are often attributed to harmless ones; and apprehensions are entertained that a *change*, however small, is necessarily a dangerous thing, as tending to *produce* extensive and hurtful innovations. Many instances may be found of small alterations being *followed* by great and mischievous ones; but it is doubtful whether all history can furnish an instance of the greater innovation having been, properly speaking, *caused* by the lesser. Of course, the first change will always *precede* the second, and many mischievous innovations *have* taken place; but these may often be explained by the too long postponement of the requisite changes,—by the neglect of the homely old proverb—"A tile in time saves nine." A house may stand for ages, if some very small repairs and alterations are promptly made from time to time as they are needed; whereas, if decay be suffered to go on unheeded, it may become necessary to pull down and rebuild the whole house. The longer any needful reform is delayed, the greater and the more difficult, and the more sudden and the more dangerous, and unsettling, it will be. And then, perhaps, those who had caused this delay, by their pertinacious resistance to any change at all, will point to these evils—evils brought on by themselves—in justification of their conduct. If they would have allowed a few broken slates on the roof to be at once replaced by new ones, the timbers would not have rotted, nor the walls in consequence

leaned, nor would the house have needed to be demolished and rebuilt.

Most wise, therefore, is the admonition of Lord Bacon, to copy the great innovator, Time, by vigilantly watching for, and promptly counteracting, the first small insidious approaches of decay, and introducing gradually, from time to time, such small improvements (individually small, but collectively great) as there may be room for, and which will prevent the necessity of violent and sweeping reformatations.

As that excellent, learned, and far-sighted man, Dr. Arnold, said:—"There is nothing so revolutionary, because there is nothing so unnatural, and so convulsive to society, as the strain to keep things fixed, when all the world is, by the very law of its creation, in eternal progress; and the cause of all the evils in the world may be traced to that natural, but most deadly, error of human indolence and corruption, that our business is to preserve, and not to improve. It is the ruin of us all alike, individuals, schools, and nations. . . . One would think that people who talk against change were literally, as well as metaphorically, blind, and did not see that everything in themselves, and around them, is changing every hour by the necessary laws of its being."

There are some remarks of an admirable writer of the present day, Sir Francis B. Head, in one of his "Descriptive Essays," so applicable to this subject, that the following is given in his own impressive words:—

"There is, we humbly think, something impressively appalling in the reflection that everything in creation has been immutably fixed, by a strict entail, save and except the march, progressive, or retrograde, of human reason.

"The velocity of lightning, the sound of thunder, the power of the wind, which still goeth where it listeth, do

not increase. The heat of the sun, the blueness of the sky, the freshness of the mountain air, the solemn grandeur of the trackless ocean, remain unaltered. The nest of the bird improves no more than its plumage,—the habitation of the beaver no more than its fur,—the industry of the bee no more than its honey,—and, lovely as is the melody of the English lark, yet the unchanged accents of its morning hymn daily proclaim to us from the firmament of heaven that, in the conjugation of the Works of Nature, there are no distinctions of tenses, for that what is, what was, and what will be, are the same.

“But it is not so with human reason. Man alone has the power to amass and bequeath to his posterity, whatever knowledge he acquires, and thus our condition on earth may be improved *ad infinitum* by the labor, intelligence, and discoveries of those who have preceded us.”—

Nature, therefore, points out to us, by this exception, that man is intended for change, and for improvement by change.

It is a common answer to any proposed change for the moral or physical improvement of the condition of a people, that they are not yet sufficiently prepared for it; as if any preparation were required for improving the spiritual or temporal welfare of a people.

If there be any one truth which the deductions of reason alone, independently of history, would lead us to anticipate, and which again history alone would establish, independently of antecedent reasoning, it is this: that a whole class of men, placed permanently under the ascendancy of another as subjects, without the rights and privileges of citizens, must be a source, at the best, of weakness, and generally of danger to the State. They cannot well be expected, and have rarely been found, to evince much hearty patriotic feeling towards a commu-

nity in which their neighbours look down on them as an inferior, and permanently degraded species. While kept in brutish ignorance, poverty, and weakness they are likely to feel—like the ass in the fable—indifferent whose pannier they bear. If they increase in power, wealth, and mental development, they are likely to be ever on the watch for an opportunity of shaking off a degrading yoke. Even a complete general despotism, weighing down all classes without exception, is, in general, far more readily borne than invidious distinctions, drawn between a favored, and a depressed race of subjects; for men feel an *insult* more than a *mischief* done to them, and feel no insult so much as one daily and hourly inflicted by their immediate neighbours.

But, besides the other causes which have always operated to perpetuate, in spite of experience, an unjust and impolitic system, the difficulty of *changing* it, when once established, is one of the greatest. The false step is one which it is peculiarly difficult to retrace. Men long debarred from civil rights, almost always become ill fitted to enjoy them. The brutalizing effects of oppression, which cannot immediately be done away by its removal, at once furnish a pretext for justifying it and make relief hazardous. Kind and liberal treatment, if cautiously and judiciously bestowed, will *gradually* and slowly advance men towards the condition of being worthy of such treatment; but treat men as aliens, or enemies, as slaves, as children, or as brutes, and they will *speedily* and *completely* justify your conduct.

The indiscriminating advocates of delay, who are always saying that, “The People are not yet *ripe* for such a change,”—usually forget to inquire,—“Are they ripening? When, and how, are they likely to become ripe?” or,—“Are men’s minds to ripen like winter pears, merely by laying them by, and letting them alone?”

Time, as Bishop Copleston has remarked, "is no agent." When we speak of such and such changes being brought about *by* time, we mean *in* time,—by the gradual and imperceptible operation of some gentle agency. We should observe, therefore, whether there be any such agency at work, and in what direction,—whether to render a certain change more difficult, or easier. If you be surrounded by the waters, and want to escape, you should observe whether the tide be flowing, or ebbing. In the one case, you should at once attempt the ford at all hazards; in the other you have to wait patiently. And if the waters be still, and neither rising nor falling, then you should consider that though there be no danger of drowning, you must remain insulated for ever, unless you cross the ford, and that, if this be to be done at all, it may be as well done at once.

The case of Slavery in the United States was one of a rising tide. The rapid multiplication of Slaves, which had already rendered their emancipation a difficult and hazardous step, made it more so every year, and increased the danger of a servile war, such as that of Saint Domingo.

The Serfdom of the Russians, (or what still remains of it), is, perhaps, rather a case of still water. There seems no great reason to expect that the state of things will grow either worse or better spontaneously.

In each of these cases, the slaves, and the serfs, are not ripe for freedom. No *enslaved people ever are*; and to wait, before you bestow liberty or political rights, till the recipients are fit to employ them aright, is to resolve not to go into the water till you can swim. You *must* make up your mind to encounter many very considerable evils at first, and for some time, while men are learning to use the advantages conferred on them.

The truth is, in all these cases, in the selfish wisdom of persons entrusted with power, sacrificing the interests

of others to their own. But, probably, the greatest amount of evils of this class, that is,—the sacrifice of public good to individual profit,—has arisen from the favor claimed by and shown to certain classes of men, in no official situation, who have persuaded the nation (and, doubtless, sometimes themselves also) that their own interest was that of the State. Both the Spaniards, and the English, prohibited their Colonies from trading with any but the Mother Country, and also from manufacturing for themselves, though the Colonists were fellow-citizens, and were virtually taxed for the profit, not of the State, but of certain manufacturers and merchants. For, if they had found the goods produced in the Mother Country to be cheaper and better than they could make them for themselves, or buy elsewhere, they would have supplied themselves with these of *their own accord*, without need of prohibitory laws; but whenever this was not the case, that is,—whenever there was *any occasion for* such a law,—it is plain they were paying an *extra* price, or buying inferior articles for the profit of the manufacturer at home. Yet this never seemed to strike even the Americans themselves, or their advocates, at the time when the revolt broke out. It was only avowed taxation for the benefit of the *Government* at home (which had laid out something for them), that they complained of.

And this did not arise from comparative indifference to the welfare of our Colonial fellow-subjects, for the like sort of policy has been long pursued at home. We imported timber of inferior quality from Canada, when better timber was to be had at a tenth part of the distance, lest saw mills in Canada, and timber-ships engaged in that trade, should suffer a diminution of profit, though the total value of them all put together did not, probably, equal the *annual* loss sustained by the public.

And we prohibited the refining of sugar, in the sugar colonies, and chose to import it in the most bulky and most perishable form, for the benefit of a few English sugar-bakers, whose total profits did not, probably, amount to as many shillings as the nation lost pounds.

And the land-owners maintained, till lately, a monopoly against the bread-consumers which amounted, virtually, to a tax on every loaf, for the sake of keeping up rents. Other selfishness may be as intense, but none is so unblushing, because none so much tolerated, as that of a monopolist claiming a *vested interest* in a public injury.

But, doubtless, many of these claimants persuaded *themselves*, as well as the nation, that they were promoting the *public* good.

All these evils have been got rid of only by change. But most men have no desire for change, *as* change, in what concerns the serious business of life. True it is that, great and sudden and violent changes do take place,—that ancient institutions have been recklessly overthrown,—that sanguinary revolutions have taken place in quick succession, and that new schemes, often the most wild and extravagant, both in civil and religious matters, have been again and again introduced. We need not seek far to find countries that have had, within the memory of persons now living, not less than nine or ten perfectly distinct systems of government. But no changes of this kind ever originate in the mere love of change, for its own sake. Never do men adopt a new form of government, or a new system of religion, merely from that delight in variety which leads them to seek new amusements, or to alter the fashion of their dress. They seek changes in what relates to serious matters of fundamental importance, only through the pressure of severe suffering, or of some vehement want, or, at least, from the perception of some great evil, or deficiency. Widely

as the vulgar are often mistaken as to the *causes* of any distress, or as to the *remedies* to be sought, the distress itself is real when they aim at any great revolution. If an infant beat its nurse, although its acts be as irrational as those of a mad dog, you may be assured that the infant is really in pain. And when men are willing to work, but starving for want of it, though it be absurd for them to seek to obtain relief by establishing a new kind of Senate, or Parliament, or by setting up a dictator, or by slaughtering all people of property, still the evil itself is real, and is keenly felt; and it is *that*, and not a mere love of change, for change sake, that drives them to take the most irrational steps. And when evils are really occasioned by absurd and oppressive laws, it is right and rational to aim at a change, though the changes, which an infuriated populace does bring about, will usually be both irrational and wrong,—will overthrow the good along with the evil,—and will be pregnant with worse evils than they seek to remedy.

The ancient despotism of France, detestable as it was, perhaps, did not cause more misery in a century, than the Reign of Terror did in a year. And, universally, the longer and the more grievously any people have been oppressed, the more violent and extravagant will be the reaction.

Hence, though it be true that, innovations in important matters are never sought through mere love of change, for its own sake, but for relief from some evil, the danger is not less of rash and ill-advised innovations, because evils, greater or less, and more or less of imperfection, always do exist in all human institutions administered by fallible men.

But it should be remembered that, though pure Conservatism is a folly, and though it be true that, men do not covet innovation, as such, with equal blindness, still there is as much folly, and as much danger, in a blindly

reformatory principle. For, though men do not seek a change, except when they perceive some evil, inconvenience, or imperfection, the thorough-going reformer always *will* find some—not unreal—ground of complaint in the working of every institution. If the house is to be pulled down, and rebuilt, till we have got one that is perfect, and, moreover, that everyone will think such, we shall be as constantly in brick and mortar as if we did delight in pulling down for its own sake.

And we should remember also that, custom will often blind one to the good, as well as to the evil, effects of any long-established system. The *preventive* effects, indeed, whether good, or evil, of any long established system, are hardly ever duly appreciated. But though no law, or system, whether actually existing, or proposed, can be expected to be unexceptionable, or should have its defects pointed out without any notice of corresponding advantages, it is most important to *examine* every measure, whether new or old, and to try it on its intrinsic merits, always guarding against the tendency to acquiesce, without inquiry, in the necessity of any existing practice. In short, we should, on the one hand, not venture rashly on untrodden paths, without a careful survey of the country; and, on the other hand, be on our guard, against following, in confident security, *the track of our own footsteps*.

Lord Bacon's maxim, therefore, is most wise, to "make a stand upon the *ancient* way, and look about us to discover what is the *best* way;" or, in the language of Scripture, from which this is taken;—"Stand ye in the ways, and see, and ask for the old paths, where is the good way, and walk therein;" neither changing at once anything that is established, merely because of some evils actually existing, without considering whether we can substitute something that is on the whole better: nor, again, steadily rejecting every plan, or system, that

can be proposed, till one can be found that is open to no objection at all. For nothing framed or devised by the wit of man ever was, or can be, perfect ; and, therefore, to condemn and reject everything that is imperfect, and has some evil attending on it, is a folly which may lead equally—and, indeed, often has led—to each of two opposite absurdities,—either an obstinate adherence to what is established, however bad, because nothing absolutely unexceptionable can be substituted ; or, again, a perpetual succession of revolutions till we can establish—which is totally impossible—some system completely faultless, or so framed as to *keep* itself in good order. To conceive such a system, whether actually existing, or ideal, is to be beset by the same chimerical hope in human affairs that has misled so many speculators in mechanics,—the vain expectation of attaining the *perpetual motion*.

Many of the foregoing are the admirable remarks of Archbishop Whately on the wise text of that great philosopher, Lord Bacon, and, to such teachers as these, who combine the wisdom of past ages with the learning and experience of the present age, the people of these days may well look for instruction, and safely follow in the way to which they point.

And, now, to apply the wisdom of the past ages, to our own experience in the present age,—to “make a stand upon the *ancient* way, and look about us to discover what is the *best* way” to effect such a change in a long-established usage as shall secure an improved state and condition, without pulling down and overthrowing or endangering, the foundation of that structure which has been so long building, and which, though yet far from perfect, has so long stood and flourished,—in short,—to show how the productive laborers may enjoy a greater and fairer share in the fruits of their labor than they have hitherto enjoyed, and how this act of justice

is consistent with the welfare of all people, and the only sure basis for the prosperity and greatness of all nations.

Let us now examine into the ground of the objection that the proposed Property Tax would be an *innovation*.

It is easy to show that it would be no innovation, but a restoration: the restoration of the Land Tax Act, passed in the 4th year of the reign of William and Mary, (1692), 180 years ago,—confirmed and made perpetual by the Act 38 George the Third, c. 60, subject to redemption, and by several subsequent Acts, in the same reign, again and again recognised and confirmed.

CONFISCATION.

‘To impose the chief burden of taxation on Land, Houses, and other realised property, is to tax wealth; or, to confiscate the property of the wealthy.’

This is not a profound objection, but it is so common that, it seems to require an answer. Let us, therefore, examine it fairly, and, if possible, without prejudice.

No doubt, every tax implies confiscation, or the seizure of private property for purposes of the State.

Assuming that the tax is levied by an equal rate on every description of property taxed, it remains only for inquiry, why such descriptions of property should be taxed at all. The question whether other descriptions of property should or should not be taxed in like manner, is another question.

It will be convenient to commence the consideration of the present question by beginning with Land, which is the beginning of all property.

What, then, is the origin of all existing titles to Land in this kingdom?

History shows that, both in ancient and modern times, the Land belonged to the State, and to no private person. Town lands, as the name shows, belonged to the Public. The Crown Lands were not the private property of the Sovereign, nor could he lawfully alienate them. The Church lands were equally the public property, and the Clergy owed public religious duty for them. Bishops and Abbots, equally with Barons, were bound to maintain, on their estates, soldiers for the King's need. The Barons' domains descended to their sons, or representatives, and might not be sold for the advantage of the immediate holder, who had only a life interest in them. All these great functionaries had to do solemn homage to the King for their Land, in token that it was Public Property; besides which, they were liable to other burdens.

The principle has always been recognised, that landed possessions are a TRUST bestowed by the State; and that the person accepting the trust becomes,—in some sense,—a public functionary, pledged to definite duties.

In India the same principle is recognised. The system of sustaining the expenses of the State by the rents of Public Lands, has almost vanished in modern Europe. It is appropriate to feudal monarchy, but, without some modification, it is ill-suited to our own times.

A feudal Monarch was, in principle, sustained like his Barons on the rents of lands, and some other customary payments. He was little more than a Baron on a great scale. If the Crown Estates had been duly preserved and faithfully improved, no further revenue would be needed for ordinary government. The expenses of wars, however, would always have to be defrayed by some special taxation. But, in fact, wars were so constant that, war taxes were perpetual, and the Public Lands were hired for a trifle by individuals of the Aristocracy

through mutual connivance : thus the legitimate revenues were diminished, and ultimately dissipated.

This is so uniform a story in every country that, in modern times, nobody seems to think of the possibility of managing Government Estates honestly. Public Opinion among ourselves regards the function of a landlord as too similar to that of a merchant, or trader, to be efficiently exercised by a government. All old and noble families are apt to know better how to spend, than how to amass revenues : still more eminently is this true of Princes, and also of Ministers, who, having generally a short tenure of office, do not feel disposed to undergo the odium of raising the Crown Rents, if no immediate result of great importance to the treasury be attainable. To tax the Nation is easier.

When the Public Revenue depends solely on the Rent of Crown Lands, all goes on well enough. But, after the Monarch finds himself able to get supplies in hard money from *another* source, as by gifts from trading cities, and votes of his Parliament, the temptation becomes irresistible to gratify some favorite by putting him in office over some of the Crown Estates, and not exacting of him the full rent. The legitimate revenue is squandered, because the King can replenish the loss conveniently in another way, and he prefers the ready cash to the produce which needs to be sold.

Perhaps, in no country of Europe have the Crown Estates been honourably used, even where they have not been alienated. For instance, in Hungary, the Austrian Emperors have preserved the Crown Estates ; but they have not succeeded in making any use of them proportionate to the industry and knowledge of our times. A King cannot hold auctions of his farms or mines in person, so as duly to raise the proceeds ; and his officers generally manage to divert to their own uses any increase of rents which, from time to time, ought to arise.

We cannot wonder at this when we know that some of the most valuable Estates, still remaining to the English Crown, are no source of public revenue. The illegal alienation of the Crown Estates, partly by sale, and partly by gift, is a scandalous chapter in English History. Against it the Parliaments again and again protested, and often effected a resumption of the Estates. Richard I., after selling some of them, and using the purchase money,—took back the lands himself, alleging that the sale had been essentially beyond his power. However, after the Abbey Lands had been distributed among the Aristocracy by Henry VIII., Parliament was dumb, so many having eaten the sop; and the alienation of Crown Lands went on, until at last the whole taxation of the country, which ought now, as originally, to have been defrayed by rent of land, was shifted from land to trade and industry. The Landholders passed laws to exempt themselves from feudal service, so as to hold their lands for nothing, and presented the King with a tax on beer instead!

It is strange to add that the Commercial Community was so far from resisting, or resenting, this great financial revolution,—which was really a gigantic fraud on the nation, and peculiarly on the towns,—that they practically aided it, owing to their great desire to see land converted into a purely commercial article.

No sooner has a man become wealthy in trade, than he desires to become master of a landed estate by purchase. But the old laws did not allow a nobleman, or baronet, to sell his estate, for it was a fraud on his successors to take in ready money the value of the land for ever. Yet, from an early period, the Crusades urged so many to desire to sell their lands that the law was often evaded; and, from the necessity of these evasions, came those fictions which have since been such an unin-

telligible mystery to the many in the Law of England, on the transfer of land for money.

This conspiracy against the Law went on for two or three centuries, between impoverished land-owners, wealthy merchants, and cunning lawyers, whose combined force, aided by the decisions of judges, gradually overturned the old feudal theory, and worked into the English mind the idea of Land, as something to be bought and sold freely in the market. Commercial notions of land prevailed, and in process of time land-holders claimed a right to their estates, as if no one else had a right in them. Subsequently, we have seen this right exercised in ejecting masses of population from the land occupied by their forefathers for generations.

But this is a very modern enormity. Nor is it confined to Ireland, that much injured and oppressed portion of the United Kingdom. We have seen it carried out ruthlessly in Scotland. We have seen many thousands driven off the lands occupied time out of mind by their forefathers. We have seen their villages pulled down, or burnt, and their fields turned into pasturage. The human inhabitants were thus ejected that sheep might take their place, because sheep *would pay better* than human beings! Or, that the wild animals of the chase might have a wider undisturbed range for the amusement of the lordly land-holder!

To this shocking end has all this jugglery come; and the destitute poor must now seek their right in the parish work-house, or accept it as doled out by the Guardians of the Country Unions.

A Baron in the plenitude of his power has rather less right over the soil than the King, from whom the Baron derived his right; and a King of England might as well claim to drive all his Subjects into the Sea, as a Baron to clear his Estates. We read how William the Conqueror burnt villages, and ejected the People by hun-

dreds, in order to make a hunting ground for himself in the New Forest. That deed, which has been execrated by all who relate it, seemed an extreme of tyranny : yet our Courts of Law, and our Parliament, allow the same thing to be done by smaller tyrants ; and the Public sits by and mourns to think that people deal so unkindly with *that which is their own*.

Here is the fundamental error, the crude and monstrous assumption, that the Land, which God has given to our Nation, is, or can be, the private property of any one to do with as he likes. It is a usurpation similar to that of Slavery. The slave-master calls himself owner, and pleads that he has purchased the slave, and that the Law has pronounced slaves to be chattels.

But that law is immoral, and unjust, for no one could sell what was not his own ; and no number of immoral sales can destroy the rights of man. All this equally applies to Land. The land was *not* regarded as private property by our old law : it is not to this day treated by law on the same footing as moveables ; and there are many other persons who have rights in a piece of land besides him who gets rent from it. The Lord of the Manor has his dues, but this does not annihilate the claims of others. For land is not only a surface that pays rent, but a surface to live upon, and the Law ought to have cared, and ought still to care, for those who need the land for life, as much as for those who have inherited it, or bought a title to certain fruits from it.

Political Economy, in a country which sanctions Slavery, will talk of Slaves as of cattle ; and rightly as regards Commercial Calculations. So, too, among ourselves, Economists have accepted as *fact*, the commercial doctrine of Land. Their science is not to blame for it ; but some of them, as individuals, are to blame for having so much sympathy with the rich, and so little with the poor, as not to see the iniquity of such a state of things ;

but rather to panegyryze English industry as living under glorious advantages, where the laborer on the soil has no tenure in it,—no direct and visible interest in its profitable culture,—no security that he may not be driven off from it, in order to swell the rental of one who calls himself its owner.

These are the sentiments of Professor Newman, and many of the foregoing remarks, on this part of the subject, are given in his own words. He supports this view by arguments and illustrations, from facts in history, which must carry conviction of the truth to every impartial and reflecting mind. But this view has so long been lost sight of that it is scarcely possible now to bring it back for impartial consideration, and quite impossible for any practical purpose. Nor, if possible, would it now be desirable to re-establish it in practice. It is here referred to only as a necessary part of the inquiry into the origin of titles to landed possessions in this country, and to establish the principle that, Land is the primary fund to be resorted to for supplying the necessities of the State, in answer to the objection on the ground of Confiscation.

How those vast estates, now held by individuals in the United Kingdom, and particularly in those parts called Scotland and Ireland were first acquired, is well known to those who have any knowledge of English History. Ireland, especially, is an instance. Ireland was treated as a conquered country, and nearly the whole of it was portioned out in large tracts, by grants to favorites. The ancient nobility, or landowners, became serfs, and the new nobility became their lords, and masters, and called themselves *land-owners*, instead of *land-holders*.

For some centuries afterwards the original Irish landowners were treated little better than cattle, and often not quite so well. But that was against the natural law of reason and humanity, and also against the law of

civilised nations. The natural rights of mankind must ever remain the same. These cannot be destroyed by human wrongs.

Wrongful and fraudulent as were most of those titles in their origin, no one proposes to disturb them now; but they may be fairly considered in an inquiry into the claims of the State, and the rights of the poor.

That the right of private possessors of land is only limited, is a principle daily acted on by our Legislature. Individuals are forced to yield up their land, and to accept compensation from a neutral party, on much slighter grounds than necessity for the maintenance of human life. It is thought convenient to the Public to have a road, a canal, or a rail-road station, and the land-owner is unceremoniously forced to give up his land for the public convenience. The compensation may be liberal or not. That is no part of the present question. The matter of principle is, that the State, at pleasure, resumes possession, and does not allow the holder of the land to have his own way, or to fix his own price. Thus, practical law, and moral reasoning, agree with the constitutional history in this result,—that an individual can never acquire absolute or sole right in land, but that, there is always some limitation of his right, and a power of resumption reserved to the State. Now, if that power be recognised for the benefit of the community in the case of a rail-road, it is impossible to deny the same power, for the same purpose, in the case of a starving population.

This seems to establish the principle, that the aged and helpless poor, and destitute children, have a natural and legal and indefeasible right to be maintained out of the produce of land; and that this is a prior right to any rights of the land-owner, who is not a land-owner, in the strict sense of the word, but only a land-holder, subject to the rights of the State, which are indefeasible. We

may hope that every evil has its good, and that such may have been the case with the pecuniary prodigality of our Monarchs. If William the Conqueror and his successors, or, even if Henry the Eighth and his successors, had wisely husbanded the Crown Estates, the Monarchy must have become despotic.

The State may easily be too rich; and that is our only comfort under the burden of our Present Public Debt.

From these remarks it will be evident that, as a general principle, where a system of landed rent is introduced, no tax is more simple, or more just, than to take a percentage of the rent for the service of the State. This ought to have been done from the first, but there can be no good objection to the adoption of this principle in practice now, if other burdens pressing directly, or indirectly, on land be removed.

If a tax, even of 50 per cent., had been laid on land in England many centuries ago, that would be now quite unexceptionable, and by far the best of taxes; far better than the possession of the Land by the State, as Landlord. A tax on rent is, of all taxes, the most equitable, and the easiest to levy, and is the one that becomes more and more productive in the later periods of industrial development, when government becomes most complicated. It, therefore, seems an unthrifty and reckless proceeding not to take measures prospectively in all new States for ultimately levying this tax; and if this were made applicable to all estates alike, there would be nothing oppressive, and it would tend to prevent oppressive enactments in a free State.

Colonial Land is avowedly a State possession. To grant it away to individuals from favour is now, after long experience, repudiated as a public profligacy; but to sell it is thought to be the part of prudent statesmanship. The land is, at first, necessarily sold at a price so trifling that, the Colonies never pay their own expenses. It is

impossible to *forestal* the value of land, although we know that it will increase hereafter with the growth of population. But our practice of selling it, alienates it to individuals for ever, and thus, for an insignificant sum paid down, the permanent heritage of great nations, *in future*, is parted with for ever; and Colonies, instead of being independent supports, are dependent incumbrances to the Mother Country.

Individuals are wiser in providing for their great-grandchildren, by granting building leases for 99 years, after which, not only the land, but all the houses and fixtures become the property of the heirs. And even to this, not very reasonable demand, builders are readily found to agree. Yet, the State, called the Mother Country, exercises no such foresight for the welfare of Colonies, when it might have done so easily. If, instead of selling the land for ever, and for a price which must be little more than nominal, the State had sold it for 100 years only, securing to the occupant an exclusive right to all houses and fixtures, and the land on which they stand, with free rights of way, but reserving the remainder of the land to the State; no one entering into that arrangement could complain of it, and the property of the State would then be protected for the benefit of the people.

The prejudice of long-established custom might prevent this from being carried out in practice in old countries; but in new countries there seems to be no difficulty, and no objection.

People in general have little notion how much more what they call their opinions, (and on subjects which most nearly concern them), are formed from the prejudice of long habit, than from reflection.

The foregoing observations in answer to the objection to the proposed Property Tax, as regards Land, apply, in a great measure, to the proposed Tax, as regards Houses.

The House is fixed to the freehold, and cannot be separated therefrom; and, as soon as completed, is income (or may be) ascertainable, or calculable.

The House represents the Capital invested in it, and comes within the definition of *realised* property, under the special protection of the State.

The tax being an equal fixed rate on the rack-rent, or annual worth if let, is levied equally on all houses in proportion to the worth, so ascertained.

The tax being levied equally on all houses, therefore cannot diminish the worth of the property to the Owner; because, whatever the amount of the tax, he will add it to the rent to be paid by the Lessee, or Occupier. It is obvious, therefore, that the objection on the ground that, many houses in counties are worth less, if let, than the same description of houses in a borough, if let, is no objection at all.

The objection, that it is unfair to tax Houses, and not to tax ships, and other machines, is equally groundless, as will be shown hereafter, though the charge of unfairness can never apply to a tax on Houses, under any circumstances, if all houses be taxed equally.

COMPENSATION.

This is another objection to the proposed Property Tax, very commonly made, especially by Landlords.

It is said that, Land and Houses are already subject to heavy burdens, such as County and Borough Rates, and other local charges; as also, the unavoidable expenses of repairs.

With respect to the *first*, these are natural and essential incidents to the property, and for all such outlay it must be assumed that value is received.

With respect to the *second*, the same answer applies

to some extent, but inasmuch as this description of property is subject to rapid deterioration, without continual outlay for necessary repairs, it is not unreasonable, in assessing the tax on the rack-rent, or annual worth to let, to make some allowance for these expenses.

The case supposes the abolition of duty on Fire Insurances, and all other impositions by the State. The Fire Insurance absurdity is, at last, abolished.

It has been already shown what are the burdens on Land and Houses under the existing system of direct and indirect taxation, and what would be the burden of the single and direct tax under the new system.

The claim of further compensation is, therefore, groundless.

It is not an easy task to bring under one view all the incidental local charges to which Land and Houses are now subject ; but, whatever these are, under the existing system, it is easy to see that, under the proposed new system, these charges must be much less.

These Local Charges have already been shortly noticed.

ORGANISATION.

There is a large class of objectors (happily not so numerous in this country as in some other countries) who are so much opposed to the existing state of things that they have proposed *to organise* society upon a new plan, in which injustice and suffering shall have no place.

They are reduced to the melancholy necessity of disowning the good which society develops, of denying its progress, of imputing to it all sufferings, and exaggerating them beyond measure.

They are led to condemn the very mainspring of human action,—*personal interest*,—because it has brought about such a state of things.

From this source, it may be, that all social evils take their rise—war, slavery, monopoly, privilege ; but, from the same source springs all that is good, since the satisfaction of wants and repugnance to suffering are the motives of human action. The business then is to discover whether this incitement to action, by its universality,—from individual becoming social—is not in itself a principle of progress.

The inventors of new organisations do not perceive that this principle, inherent in the very nature of man, will follow them into their systems, and that there it will make greater havoc than in our natural organisation, in which the interest and unjust pretensions of one are, at least, restrained by the resistance of all.

These visionaries assume two inadmissible suppositions—the first is, that society, such as they conceive it, will be directed by infallible men devoid of this motive of self-interest ; and, secondly, that the masses will allow themselves to be directed by these men.

These system-makers appear to give themselves no trouble about the means of execution ; or, how they are to establish their system ; although, as Rousseau has said, it would be necessary *to change the moral and physical constitution of man*.

The founder of the new system must have at his disposal a force capable of overcoming all resistance, so that humanity shall be in his hands only as so much melting wax to be moulded and fashioned at his pleasure ; or, he must obtain by persuasion an assent so complete, so exclusive, so blind even, as to render unnecessary the employment of force.

Such is the substance,—given almost in his own words,—of the opening chapter of Bastiat's, "Harmonies of Political Economy," in refutation of all the wild theories of the Socialists and Communists of France.

It is objected by some,—though, probably, the

number is very few,—that the views, advocated in these pages, aim at the re-organisation of Society on the Socialistic and Communistic principle. But no such views are entertained by the Writer. His only object is, the attainment of more liberty for all People, and more of that equality which liberty can alone give, and that is,—equality of justice,—to effect a more intimate association between labor, capital, and skill, thereby insuring to the members of the human family a greater amount of material enjoyment—enjoyment more equally distributed.

This is the Liberty and Equality here advocated, and this is the tendency of the Scheme here put forth—nothing more. The organisation of Nature, which Man can never change—never improve—will do all that remains to be done, which is all that is to be desired.

What, but this, ought to be the end of every system of legislation?

As long as human organisation conflicts with the organisation of Nature, so long will social order be disturbed by that disquiet in men's minds which must ever proceed from unsatisfied desire.

And if that desire be implanted in the human mind, as essential for his present existence as one in the social order of human beings, and to prepare and qualify him for a higher and future state of existence—(and who can doubt it?)—we may be sure that no human efforts will prevail to destroy that desire, however terrible the sufferings which that conflict may introduce. Nature will ultimately prevail over all the artificial restraints of human selfishness, love of power, ambition, and pride, and thus out of evil and much suffering great good and higher happiness will spring. And who could wish it to be otherwise?

If the law of our nature, established by this inherent and universal desire, be violated and denied, who could

wish that this law, at whatever cost, should not be justified?

“But whatever hopes we may entertain as to the future, whatever ideas we may conceive as to the measures that men may adopt for their mutual relations, and the diffusion of happiness, knowledge, and morality, we must never forget that society is an organisation which has for its element a moral and intelligent agent, endued with free will, and susceptible of improvement. If you take away Liberty from man, he becomes nothing else than a rude and wretched machine.”

These are the words of Bastiat, and it will be well for all Governments and People if they will keep these words for ever in remembrance; and the following, by the same enlightened Writer, are too memorable to be here omitted, being also explanatory of all that is here written.

“If the tendencies of human nature be essentially perverse, where are the organisers of new social systems to place the fulcrum of that lever by which they hope to effect their changes? It must be somewhat beyond the limits of the present domain of humanity. Do they search for it in themselves—in their own minds and hearts? They are not gods yet; they are men, and tending, consequently, along with the whole human race, towards the fatal abyss. Shall they invoke the intervention of the State? The State also is composed of men. They must, therefore, prove that they form a distinct class, for whom the general laws of society are not intended, since it is their province to make these laws. Unless this be proved, the difficulty is not removed, it is not even diminished.

“Let us not thus condemn human nature before studying its laws, its forces, its energies, its tendencies. Newton, after he discovered attraction, never pronounced the name of God without uncovering his head. Yet the

celestial mechanism is subject to laws of which it has no consciousness; and the social world is as much superior to that which called forth the admiration of Newton as mind is superior to matter. How much more reason, then, have we to bow before Omniscience when we behold the social mechanism, which universal intelligence no less pervades; and which presents, moreover, this extraordinary phenomenon, that every atom of which it is composed is an animated thinking being, endued with marvellous energy, and with that principle of all morality, all dignity, all progress, the exclusive attribute of man—LIBERTY."

This long extract is given because it expresses the motive and object of the Writer of these pages far better than any words which he could have used; and this is his answer to all objections on the ground of the evil tendency of his views. He does not deny that his views, carried out in practice, would effect a great change in the physical and moral state of society, but he maintains that the tendency of the change would be to effect a great improvement in the physical and moral condition of the social state, by extending liberty, and with freedom of action, individual responsibility, and social happiness, over the whole world.

If the rights of labor were more justly regarded, the laborers might hope to save out of their wages sufficient to keep them out of the Poor House in the time of old age, infirmity, or accident. But now, few of the common laborers can by industry, skill, and prudence, bring themselves within reach of that hope, and, without hope, the manly spirit of independence can never thrive.

To large masses of the working classes there is now no hope for old age and infirmity, but in the Union, or Parish Work-house.

This must ever be the end for them, under our present system of Taxation, and Poor Laws.

The wretched victims of this unwise and cruel system crowd together in our towns, into which the misery of the country drains !

Here they congregate in masses too great to be known,—too great to be relieved,—by the richer classes ; and this dead weight, crushed together in our great towns, if, by a wiser and more humane system, spread over the country, might be so much addition to its living strength and capital.

All attempts to direct the channels of employment on moral grounds, seem to proceed in forgetfulness of the narrow limits of a ruler's power. We talk of the omnipotence of Parliament. What Parliament but abhors Gin-Palaces ? And yet, what is done to abolish them ? All know that, to prohibit Spirits would lead to their secret sale. All that can be wisely attempted is, to impart moral character, sanction moral relations, and claim the performance of relative duties, in all the existing and tolerated forms of social life. In this consists the ORGANISATION OF STATES. This is the true SOCIALISM.

This is the great duty of the State, and to show how this may be effected is the present object.

COMPETITION.

Without liberty there is no Competition. Take away freedom, and there remains slavery.

What is Competition, but the absence of constraint ? In what concerns my own interest, I desire to choose for myself—that another should not choose for me, or, in spite of me—that is all. If any one claim the right to substitute his judgment for mine in what concerns me, why should I not substitute mine for his in what concerns him ? To take away the liberty of acting is to destroy the possibility, and, consequently, the power

of choosing, of judging, of comparing; it is to annihilate intelligence, to annihilate thought, to annihilate the highest privilege of man.

Those who would ameliorate society by annihilating liberty, begin by annihilating the individual as a rational being, under the pretext that all evils come from this source,—as if all good did not come from it too.

Such always has been, and always must be, the object and effect of all human laws. To a certain extent, such is essential for the protection of life and property, and social order. But anything beyond this is arbitrary despotism, and injustice, and, by destroying, or diminishing, individual liberty, annihilates, or restricts, that right to make comparison, or choice, which is essential for competition. It directly tends to prevent that mutual interchange of services for services, for which every one is born into the world, and, therefore, to arrest the progress of mankind, by restraining and limiting human efforts. It breaks, or weakens, the mainspring of human actions, and thereby conflicts with the law of nature. In this conflict human beings suffer, and must suffer as long as the conflict continues, and that is, as long as the human law is permitted to operate in opposition to the higher natural law, which must prevail.

And how does it prevail?

It prevails by force of the penalty which inevitably follows the breach of the higher law.

Reason sometimes, but rarely, intervenes to save the penalty. Most frequently Reason prevails long after the penalty has been suffered, and is no longer endurable. Then some man begins to think—such a man, for instance, as Richard Cobden,—and he sets other men a-thinking—such men, for instance, as Bright, Wilson, Thompson, etc.,—then they meet together in a little back parlor, and reason together; then they go out and

talk to the People, and they set the People a-thinking, —and they print and circulate sound reasoning amongst the People, until the People are able to reason for themselves; and then the voice of the People begins to be heard, and heeded, though the cry of the People was heard before, but unheeded. At last, the voice reaches the rulers, and strikes terror into their hearts, not for the People, but for themselves, and for the State, now in danger. They repeal the obnoxious law, and the conflict instantly ceases. Harmony is restored. The natural law has prevailed over the human.

But how? By much human suffering. By the starvation of thousands of human beings, and the desperation, from distress, of millions.

And what was the cause of all this human suffering?

The annihilation of liberty and intelligence—the loss of liberty of acting,—the loss of the power of choosing, of judging, of comparing,—the loss of competition.

And what was the penalty?

Starvation, misery, death.

And yet,—to make a passing observation on the perversity of the human mind,—how strange, that the man to whom, more than any other, all this human suffering may be attributed—the man who, more than any other, governed the councils of the State through that long gloomy period—the man who, more than any other, helped to shut out the light of Reason, and who persisted in his own wilful course as long as he dared, in defiance of all reason, and of all the suffering around him,—who was deaf to the wailing cry of misery, and yielded at last only to the loud voice of demand,—that dead man is honored as the great Statesman who repealed the obnoxious and wicked Corn-Law, and the bronze statue is erected to his memory; whilst to the living man, who originated this great measure of relief, and more than any other man helped to tear down Pro-

tection and Monopoly, and to set up Liberty and Free Trade, no Statue to his honor is yet raised, no reward yet given, but in the tribute of a grateful people—no State acknowledgment for the greatest service, perhaps, ever rendered by a subject to a State! But the award of posterity will more wisely determine which of these two men was the real Statesman, and though there should be no Statue to the memory of the true Statesman, his name will be imperishably written in the history of his country.

After all, what is Competition but the free exercise of the right of choice? As Bastiat asks:—"Is it not quite natural that in every case wants should be judged of by those who experience them, satisfactions by those who seek them, efforts by those who exchange them? And is it seriously proposed to substitute for this universal vigilance of the parties interested, a social authority, charged with determining in all parts of the world the delicate conditions of these countless acts of interchange? Do you not see that this would be to set up the most fallible, the most universal, the most arbitrary, the most inquisitorial, the most insupportable, the most impossible—of all despotisms?"

And here is his answer:—"It is Competition which, by its incessant but unperceived action, restores an equilibrium which is sanctioned by justice, and which is more exact than any that the fallible sagacity of a human magistracy could by possibility establish. Far from Competition leading to inequality, as has been erroneously alleged, we may assert that all *factitious* inequality is imputable to its absence. The Socialists see in Competition the source of all that is evil, whilst we trace to the attacks which have been made upon it the disturbance of all that is good. Although this great law has been misunderstood by the Socialists and their adepts; although it is frequently harsh in its operation,

no law is more fertile in social harmonies, more beneficent in general results; no law attests more brilliantly the measureless superiority of the designs of God over the vain and powerless combinations of men."

It is the unquestionable result of social order that, "*the sum total of satisfactions which falls to each member of society is much superior to those which he could procure for himself by his own efforts.*" It is this result which Bastiat is continually urging in his great work from which this is quoted.

But the additional element which resolves the problem is, the co-operation of natural agents constantly becoming more and more effective in the work of production; it is the gratuitous utility continually co-operating with *Community*; it is the labor of heat and of cold, of light, of gravitation, of affinity, of elasticity, coming progressively to be added to the labor of man, diminishing the value of services by rendering them more easy.

But it is not that value diminishes immediately, and of necessity, by the simple fact of the co-operation of natural forces, and the relief thereby afforded to human labor. It is not, as the English Economists say, that value is proportional to labor. The man who is aided by a natural and gratuitous force renders his services more easily; but he does not on that account renounce voluntarily any portion whatever of his accustomed remuneration. To induce him to do that, external coercion—pressure from without—severe but not unjust pressure—is necessary. It is Competition which exerts this pressure.

But for this, each man would continue to be paid not only for his labor, but for the natural forces which he had once succeeded in setting to work, and thus, Society would be constituted on the principle of universal Monopoly, instead of being, as it is, on the principle of progressive Community.

To prevent such a state of things, God, who has bestowed on all His creatures heat, light, gravitation, air, water, the soil, vegetable life, electricity, and countless other benefits beyond human power to enumerate,—Who has placed in the human breast the feeling of *personal interest*, which, like a magnet, attracts everything to itself,—has placed also in the bosom of society another spring of action, which He has charged with the care of preserving to His benefits their original destination, which was, that they should be gratuitous and common. This spring of action is Competition. “Thus,” as Bastiat says, “Personal Interest is that irrepressible force belonging to the individual which urges on to progress and discovery, which spurs us on to exertion, but leads also to monopoly. Competition is that force belonging to the species which is not less irrepressible, and which snatches progress, as it is realised, from individual hands, and makes it the common inheritance of the great family of mankind. These two forces, in each of which, considered individually, we might find something to blame, thus constitute Social Harmony, by the play of their combinations, when regarded in conjunction.”

But, as Bastiat goes on to observe:—“As regards remuneration, there is a third circumstance which favors a man, or a class of men, namely, the possession of *Capital*. The man who has in his hands the tools necessary for labor, the materials to work upon, and the provisions for his subsistence during the operation, is in a situation to determine his own remuneration. The principle of this is equitable, for capital is only anterior labor which has not yet been remunerated. The Capitalist is in a good position to impose terms; but, even when free from Competition, there is a limit which his demands can never exceed—this limit is the point at which his remuneration would absorb all the

advantages of the service which he renders. In these circumstances it is unreasonable to talk, as is often done, of the *tyranny of capital*, seeing that, even in the most extreme cases neither its presence nor its absence can injure the condition of the laborer. All that the Capitalist can say is: "Would you profit by my labor—I set such a price upon it; if you find it too high, do as you have done hitherto—do without it."

Competition, therefore, takes place among capitalists; and, like tools and other materials, capital is useful only when employed. There is an emulation among Capitalists to find employment for their capital, as there is among Workmen to find employment for their labor with the aid of tools and other materials. All that this emulation, or competition, forces them to abate from the extreme demand which they might otherwise make, is so much clear profit, or gain, for the consumer, that is to say, mankind.

It is clear, however, that this gain can never be *absolutely gratuitous*; for, since the capital represents labor, capital must always possess in itself the principle of remuneration.

And, therefore, it is clear that, it is as unwise and impolitic to tax the capitalist in his own capital, as to tax the laborer in his own labor; or, to tax capital and labor, *as such*.

Now, as all capital is only the accumulated savings of labor, or efforts, or services, which have not yet been remunerated, and as value exists only in efforts, or services, and becomes ascertained and realised only by interchange, it is manifest that, to diminish that value, before it is realised, by taxation or otherwise, is to destroy value at its very source, and thereby to diminish the productive power, or source of all wealth,—as well as to derange that equilibrium which is preserved by Competition;—already shown to be essential for the

prevention of excessive remuneration ;—for, in the absence of Competition, there must be Monopoly, and the more Competition is limited, the nearer must be the approach to Monopoly. Thus, if the profits from the employment of capital be reduced so low as to leave nothing for remunerating the labor or effort, the capital, if not lost in the attempt to gain remuneration, must be withdrawn, and the further attempt be discontinued ; and the same effect must follow if, by taxation or other means, the remuneration be inadequate to the labor or effort required. Hence it is obvious that, to tax capital and labor employed in production, before the remuneration, in the profit is realised, must tend to drive away capital, and to throw out of such employment so much capital and labor. The small capitalists must withdraw, and leave in possession the larger capitalists, and the demand for labor being thereby diminished,—the wages of labor must fall. Here Competition is reduced, and the larger capitalists, availing themselves of the unequal balance which Competition alone preserves, remain and take advantage of the nearer approach to monopoly, by lowering the rate of wages, and raising their own profits.

This state of things could never happen, or could never long endure, if the natural law were allowed free exercise, for Competition would always come in to preserve the just equilibrium, and capital and labor, with equal industry and skill, would meet with their just and proportionate reward. The gratuitous services of nature being given equally to all, the just equilibrium can be disturbed only by artificial impediments which are not thrown equally in the way of all, and never can be.

Under free Competition, men cannot long receive an exceptional remuneration for the co-operation of *natural forces*. This proves that efforts have a tendency to be exchanged on a footing of equality, or, in other words, that value tends to become proportionate to labor ; and

as all classes are consumers, it is the community which reaps ultimately the benefits of Competition. So, therefore, everybody, or the community, suffers when the equilibrium of Competition is annihilated, or disturbed, and in proportion to the disturbance.

To this disturbance by unjust and impolitic taxation is owing all the outcry which is heard against Capitalists, who are thus made, by this artificial means, more or less monopolists; and hence arises all the conflicts between laborers and their employers, in which it is very obvious that the employers must prevail, as long as the laws restrict and limit free Competition, by taxing the laborer in his own labor, and making him pay the tax in an increased price for all the necessaries and comforts of life. As long as this system is continued, it is impossible that Competition should be free. It is impossible that small Capitalists should successfully compete with large Capitalists. The smaller must be forced into associated bodies, in order to compete successfully with the larger. The more numerous, but, individually, weaker classes, must be forced into combinations for their own self-defence. This is an evil state of things, but it is the necessary consequence of those unjust laws which tax the wages of labor, and the profits of trade, or, in other words, which disturb the equilibrium of free Competition, by giving undue favor to Capital, at the cost of that labor and skill by which all capital is created.

Now, it is objected that, the taxation of realised property, as here proposed, favors Capital invested in trade, to the prejudice of Capital invested in land, and tends to destroy that equilibrium of Competition which is so essential for the protection of all property and the interests of society. But it will be seen, from the foregoing observations that, there is no ground for this objection, and that the contrary effect must be a necessary consequence.

By imposing a tax on Capital invested in trade, whether that tax be an Income Tax, or a Customs or Excise Duty, it must diminish profits to, at least, the amount so taken, and must also, to that extent, diminish Competition, and depress trade, and every depression of Trade must react on land, to the depression of Agriculture.

The home market, which must always be the best market, must be the first to suffer, and must suffer most from that depression.

If trade be carried on without profit, the Capital employed in that trade is lost, or, at least, is rendered comparatively useless whilst so employed, and is ultimately taken out to be otherwise, and profitably employed.

By this operation the trade is left in fewer hands, and Competition is diminished. Increased prices may then bring profits, and increased profits may then bring more Capital into the trade, but this will be the Capital of larger Capitalists, and the trade will then be in fewer hands, the smaller Capitalists being excluded, or driven out. Thus, the inevitable consequence of taxing trade, in whatever form, is to impede the action of that natural law before referred to, by an artificial impediment, and the salutary protecting power of Competition is weakened.

The truth of this reasoning is strikingly illustrated in the trade of Copper smelting which, in this country, is very nearly a monopoly, being in the hands of about half-a-dozen great Capitalists.

The Brewers furnish another apt illustration, for no one can doubt that, if every person were free to brew Beer, without any tax on the articles used, the Competition in this trade would be much greater than it is.

It is not denied that, the tendency of large Capital is to create monopoly,—but this would be no evil if trade were left open to free Competition, and if trade were

free from every tax and other artificial impediment, monopoly could never exist. The natural law would prevent that, and the profits of the trade would regulate the quantity of Capital invested in the trade.

So intimately connected are the interests of trade and agriculture that they may be taken to be concurrent; for all experience shows that a state of prosperity or depression in the one, is the same in the other.

It, therefore, can need no words to prove that, by relieving trade from all taxes, or other impositions or impediments, no injury can thereby be inflicted on land.

As far as experience goes, it is conclusive of this truth, and no further examples can be wanting than have been already afforded in the repeal of the Corn Laws, and in those Customs and Excise duties which have been remitted.

It is now a fact, too notorious to be any longer open to question, that since the removal of these impediments to trade, agriculture has improved in proportion to the improvement in trade, and the price of land has risen greatly throughout the kingdom.

The removal of the artificial obstructions to trade has increased profits, and brought in more capital,—more Competition. The improvement in trade has increased the demand for labor, and this increased demand has raised the wages of labor. The improved condition of the laboring classes has increased the demand for the produce of land. This increased demand has improved the home market for all the produce of land, and Competition with Foreign markets has preserved the just equilibrium by retaining the local advantages of the home market over the Foreign, and still protecting the Consumers from exorbitant demands of the producers; whilst the pressure of Competition, of the foreign producer, has forced the home producer to bring to his aid more capital, higher skill, and greater industry.

But there has been another consequence. The Merchant, the Manufacturer, the Tradesman, has sought other investment than trade for his surplus capital :—he has purchased land, and become a lord of the soil ; he has relieved the spendthrift land-lord of his debts and his land, or he has bribed the owner, by a high price, to deliver over the old Family Estate, and has taken his place. The merchant-prince, the successful tradesman, or the cotton lord, has become the lord of the land, and the new landlord, with more capital, has renewed the vigor of the land. The capital of the country has increased, and the price of land throughout the country has risen.

If such have been the results of the partial removal of obstacles, what may be expected from the absolute and immediate removal of all impediments and obstructions as here proposed ?

That no additional burden is thereby thrown on land has been already shown, and will be further shown in these pages. But this is another question. In answer to the objection now under consideration, it is sufficient to show that, the tendency of the proposed scheme of taxation must be, to increase, and not to diminish, Competition ; and the same principle being applied to land, and to all other realised property, the same effects must follow, equally to all. But this will be further shown in considering and answering other objections.

EQUALISATION.

The close observer of the great laws of nature—when he regards them as they are in themselves—when they act without impediment, and free from any disturbance of their action by human error and violence,—must be struck with this as the definite result of the arrangements of Providence—“ The constant approximation of all men towards a level which is always rising.”

This we call 'Progress,' or 'Improvement.' This we will now call 'EQUALISATION;' and like the Astronomer who regards the planetary movements, or the Physiologist who contemplates the structure and arrangements of the human organs,—we may say—
"Digitus Dei est hic!"

The gratuitous services of Nature, we know, are given equally to all, and when all make equally good use of them, we may suppose, all will then equally enjoy them, but never before.

This is the Equalisation of Nature, impeded and, to a great extent, counteracted by human intervention.

Nature's gratuitous services are given equally to all; but, being gratuitous, nothing is, or ever can be, given in exchange for them; and as *value* arises only from exchange of services, Nature's gratuitous services are of no value, and never can be of any.

These services are *utilities*, but only when made useful by appropriation.

Air, light, water, gravitation, electricity, etc., are utilities when used, but, though essential for our existence, we give nothing in exchange for them, and they have no value. The water, if we can never obtain it, is even of no utility to us. The service is rendered by bringing the water to us, and in this service, if received in exchange for another, is the value. The service is rendered by human efforts, and may be rendered gratuitously, in which case, however great the service, there is no value; for, without exchange of services there can be no value. Our own efforts may bring the water to us, and in that case we avail ourselves of the gratuitous service of Nature, for which nothing can be given in return, and there can be no value; or another's efforts may bring the water to us in exchange for something else, and that exchange of services creates value. In the one case, there is no exchange of services, and no

value, but simply one's own efforts, in taking the gratuitous service of Nature, for the gratification of one's own want; in the other case, there is another's efforts in exchange for something else, and there is value acknowledged and remunerated; in both cases the gratuitous utility of Nature is appropriated without anything given in return, and when the service is rendered in exchange for another, it becomes a service of value.

Therefore, as Bastiat says:—"Every man enjoys **GRATUITOUSLY** all the utilities furnished or created by Nature, on condition of taking the trouble to appropriate them, or of returning an equivalent service to those who render him the service of taking that trouble for him."

Even the air we breathe ceases to be of service to us when we cease to respire it. In the midst of the most fertile soil, with every advantage of climate, without human efforts acting in concurrence with the gratuitous utilities of nature, we should derive no service, and starvation must ensue. In common language, it would be said by metonymy—Such a quantity of land *is worth* such a quantity of gold, as if the value had passed physically into these bodies. But it is easy to see that, if the common form of expression enable us to state the results, the scientific expression alone reveals to us the true causes.

Thus, we may see, Nature gives freely and equally to all. But here equality begins and ends. The gifts of Nature, though equal to all, are of no value to any. As the race is to the swift, and the battle to the strong, so is the value of services. Nature has given no equality here. Why, then, should man look for equality where Nature has never given it, and, clearly, never intended it? Why should man seek to obtain *by force* more than Nature has given? What right have men to impose upon each other anything, *by force*,—but *Justice*? The right to force a man to be just is the right of legiti-

mate defence. Now, individuals in the aggregate can possess no right which did not pre-exist in individuals as such. If, then, the employment of individual force be justified only by legitimate defence, the fact that, the action of government is always manifested by force, should lead us to conclude that, it is essentially limited to the maintenance of order, security, and justice.

As said by Bastiat :—"All action of governments beyond this limit is a usurpation upon conscience, upon intelligence, upon industry ; in a word, upon human Liberty."

The liberty of labor to each and every man, implies the liberty to enjoy the fruits of his own labor. To deprive him of any part of the fruits of his own labor, is to deprive him of the liberty of labor, or to make him a slave. If it be right to deprive him of part, it may be right to deprive him of all. But it must be shown to be just, before it can be proved to be right, to deprive him of any.

Now, all Governments exercise this right by force, but no Government has ever shown that it is just, or even necessary, or expedient. The present object is to show that, this is unjust, unnecessary, and inexpedient.

It has been already shown to be contrary to, and quite inconsistent with, the great providential laws—quite incompatible with those gratuitous services of Nature which are given equally to all, and without which human beings could not exist.

If it be right to deprive the laborer of the fruits of his labor, or, in any manner to diminish his remuneration, the natural law is reversed. The race is to the slow, and the battle is to the weak, if one man is to work that another may sit idle ; or, if a deficiency in the exertions of the one is to be made up by the efforts of the other.

This is reversing the law of Nature, but this is what all human Governments are doing ; and through this arbitrary, unjust, and despotic interference with natural

rights, has arisen all the outcry for Liberty and Equality, Equal division of Property, and the Rights of Man ; which, if carried out in practice, must restore man to his original state of nature, as still seen in the savage tribes, where all property is in common, except that which is taken by superior brute force.

The Socialists and other advocates of Communism are, therefore, advocates (quite unintentionally) of a return to the savage state of nature ; but this is hardly a greater absurdity than the false principle of Governments which has instigated such absurdity.

The miserable visionaries and the unjust rulers are equally in the wrong ; but the former may be simply weak, and the latter wilfully wicked, as is, probably, the case with most of them.

It is scarcely possible to imagine that the Government of any civilised country, in these days, can be ignorant of the wrong in imposing the great burden of taxation on the working classes, by taxing the laborer in his own labor ; the very argument by which this is attempted to be supported admits the wrong, and confesses the fraud ; it is avowedly done to cheat the laborer, for the benefit of the capitalist, and this is continued to be done, although it has been shown over and over again by unanswerable argument and conclusive evidence, that, to cheat the laborer does not benefit the capitalist, but, on the contrary, injures both, and inflicts the deepest injury on society at large ;—still this wrong-doing is persisted in, and millions, raised by compulsory laws and appeals to benevolence, are wasted every year in vain endeavours to mitigate the misery thus created.

Here we have the Equalisation of Nature counteracted by the folly and selfish wickedness of men, and those gratuitous services of Nature, which were intended equally for all, are made the means for enslaving, and embittering the existence of the greatest portion and most de-

serving of mankind ; for, it is, undoubtedly, the misery of man which makes the greatest portion of his guilt ; and this must ever be so, as long as human laws conflict with those of Nature.

It is the abundance of the world, in the midst of so much human destitution,—it is the sight of this frightful inequality of distribution, which drives men mad. No wonder that they cry out for a more equal distribution—no wonder that we hear the cry,—“ *La propriété c'est le vol.*”

The wonder is that men submit to see the fruits of their own labor snatched away from them by the tax-gatherer, when they see their own children half-starved, and are themselves driven to drunken desperation by the wretchedness which surrounds them, and the absence of all hope before them.

There will never be any want of fools and knaves to aggravate this frenzy of despair with their visionary schemes and traitorous designs ; but not by these means will the remedy for evil legislation be provided, nor by Education and Religious instruction, nor by public bounties and private charities, and, least of all, by coercive legislation. Justice alone will be the remedy, and that will be in leaving the laborer free to enjoy the fruits of his own labor.

That is the object of the Scheme of Taxation here proposed.

Now, how does this disturb, or conflict with, that Equalisation which we see in the gratuitous services of Nature?

And why should not human laws be so made as to act in unison with the great laws of Nature, and thus far, at least, satisfy the natural and necessary wants of the human race?

Why should not those who, by their own efforts, appropriate the gratuitous services of Nature, enjoy the benefits?

Why should they be forced to surrender to the State, or to individuals, any portion of the benefits so derived, without receiving an equivalent service in return?

Why should they be taxed in their own labor, for the benefit of the State, beyond any benefit conferred on them by the State?

Why should they be taxed in their own labour, to relieve the Capital which is created by their labor?

It is for those who advocate taxing the laborer in his own labor, to answer these questions.

But what if this be shown to be injurious to the State, and to the Capitalist?

What if it be shown to be for the true interests of the State, and the Owners of Property, to leave the laborer untaxed in his own labor, and to leave untaxed all property until it has realised the profits produced by the labor?

All this is shown in these pages.

What then is to be said in favour of the present system of Taxation?

What is to be said in favor of those human laws shown to be unequal and unjust, acting in direct antagonism with the beneficent laws of nature, known to be equal and just?

If necessity and expediency be the answer, then the laws of nature must be unsuitable and unwise!

But let us inquire into the necessity and expediency of disturbing the natural law of Equalisation.

It is a common saying that, principles, correct in theory, are inapplicable in practice, to the artificial state of Governments and Society as existing; and that a change, from a bad system to a better, may create so much disturbance as to be attended with inconveniences, which no benefits to be expected can compensate.

This is an allegation without proof, and incapable of proof. A certain amount of inconvenience may, and generally does, attend upon every great change; but, if

the benefits do not exceed the inconvenience of the change, that is conclusive evidence that there is something wrong in the principle, or in the manner of carrying it out in the change.

If the principle, and the manner of carrying it out be correct, the change must be as certain of benefit, as, in the formation of a railway, the removal of natural obstacles must repay the labor required for their removal. If not, there must have been something incorrect in the principle, or some error in the calculation of profit and loss.

In the case of a railway these are questions only of engineering skill, and calculation in figures. Those who have to determine these questions are guided by the known laws of nature, aided by experience. If skilful, they calculate on the result with confidence. They are not deterred by the magnitude of the undertaking, nor by the quantity of labor, or the amount of temporary inconvenience to be endured. They regard the prospective gain, and they look to the question,—‘ Will it pay ? ’

If they see that it will pay, they do it. They do it all, and they do it all at once. They see that it will pay when so done, but not otherwise.

To make it pay, all must be done, and all at the same time. The inconvenience of doing it being only temporary, does not count for much. They avail themselves of the gratuitous services of nature, and they appropriate them. They remove obstacles, and thereby equalise the way for all. They confer services from a new source, and they exchange these services for other services ; they create value where no value was before ; they increase the capital of the country.

This we will suppose to be the calculation, and the result of every railway in the kingdom.

Now, let the same sort of calculation be made for the proposed change in our system of Taxation.

In this case, the calculation is of a more abstract, and, perhaps, of a more complex, nature. But the object is a much higher one—higher in its nature, and greater in its consequences.

Those who have to determine this question may also be guided by the known laws of nature, aided by experience. If Statesmen, they also may calculate on the result with confidence. They will not be deterred by the magnitude of the change; they will count the cost, and take into account the temporary inconvenience to be endured; they will regard the prospective gain, and look to the question,—‘Will it pay?’

If they be Statesmen, they will see that it must pay, and they will do it. But they will see that, to make it pay, they must do it all at once.

They will see that the benefit will then be great to all, and that the inconvenience, which will be only temporary, will be confined to a comparatively few. They will avail themselves of the gratuitous services of nature, and cause them to be appropriated more largely than they have ever been before. They will remove obstacles, and thereby equalise the way for all. They will set labor free, and thereby enlarge the source of all services, and all property. They will create value where no value was before. They will increase the Capital of the country, and distribute it more equally throughout the country. They will increase industry, prosperity, and happiness,—and they will diminish pauperism, guilt, and wretchedness.

This is the Equalisation to which Nature points. *Digitus Dei est hic.*

How all this is to be brought about is shown in detail in these pages.

TAXATION, DIRECT AND INDIRECT.

We will now come to the more practical objections,

by examining the comparative advantages and disadvantages of Direct and Indirect Taxation.

As the principal advocate for Indirect against Direct Taxation,—and the one most worthy of being answered,—is the Writer of the Article, entitled “British Taxation,” which appeared in the ‘Edinburgh Review’ of January 1860, the following observations in answer to that Writer—the late Sir G. Cornwall Lewis—are from “The Reviewer Reviewed,” published by the Author shortly afterwards.

The advocate of the “ingenious plan of concealment,” before quoted, describes a tax “to be *direct* when it is immediately taken from property, or labor; and *indirect* when it is taken from them by making their owners pay for liberty to use certain articles, or to exercise certain privileges.”

Accepting this definition, let us now follow it through-out.

Passing over some less practical remarks,—which the Writer of these pages has already answered elsewhere,—the Edinburgh Reviewer next proceeds to the inquiry of the Cost of Collection, and he gives a Table, “as obtained from official returns of the cost of levying the direct and indirect taxes of America, France, and England.”

The lowest factor for the cost of collection of taxes in that Table is, 2·87 for Direct Taxes in England, in 1859.

And yet he says that, others can be collected more cheaply! He says this immediately afterwards in the following sentence:—“The Customs revenue of this country is, or may be, collected at a cheaper rate per cent. than the same twenty-three millions could be obtained by any other equitable, or endurable, process of direct taxation.”

The reviewer then goes into a great deal of explana-

tion, and a great many figures, to prove that the Preventive Service, or Coast Guard, which, in 1856 cost £428,000, "might, it is believed by those best qualified to form an opinion, be carried out at a maximum expense of £150,000 per annum; and, therefore, it is the smaller sum only that can *equitably* be added to the charges for Collecting the Customs."

How far this is an *equitably* drawn conclusion we leave the reader to judge for himself, having only to say that, if taxes might be diminished, Financial Reformers would not object to their diminution.

The reviewer then proceeds to strike out from the "*Cost of collecting the Customs Revenue*," various large sums of money, actually paid, "yet in no way necessarily connected with, or belonging to the collection of the revenue;" and more properly coming under the head of "*extraneous and miscellaneous functions*, connected with statistics, light-dues, and the working of the Merchant Shipping Act; and the whole cost of the *bonding* or *warehousing* department."

With deference to this high authority, we should hold these charges as part of the "*Cost of collecting the Customs revenue*," as long as the Customs revenue cannot be, in fact, collected without them. If no Customs duties were collected, there would be no need of the *bonding* or *warehousing* department.

Again—the reviewer says:—"We must throw out such duties as are collected at an expense out of all proportion to their produce—all such as yield little, and cost much. In a word, we must reduce the tariff to its most purely profitable dimensions; and ascertaining, as far as possible, what would be the actual cost of collection, if no articles were placed in the tariff, except in the interest of the revenue alone, and if none but fiscal considerations were allowed to intervene."

This only shows that the cost of collecting the Cus-

toms duties would be less, if they were diminished by a freeing of goods from the tariff. We all know that. If the reviewer think it would be a good to lessen the traffic taxes, he is of the same mind as the Financial Reformers whom he is abusing, for saying so, and who would abolish all of them for a Property Tax.

The reviewer next invites his readers to "devote a few minutes to a consideration of the probable cost of levying an equal amount of revenue in an equitable form by direct taxation. . . . First it is obvious that, *cæteris paribus*, the cost of levying any direct impost will vary inversely according to the number of persons on whom it is levied, and the largeness of the sums in which it is levied. In other words, it will be much cheaper to levy twenty millions from one million of tax-payers, than from thirty millions—if it can be done at all."

We accept this admission of a very obvious fact, and as no insignificant admission in favor of *direct* taxation.

The reviewer then says:—"If we confine our attention to the income tax alone, we find that the rate per cent. at which it was collected during the Napoleonic wars varied from two to three per cent., averaging *two and a half*. Since its re-imposition by Sir Robert Peel, the rate has ranged from £1. 16s. 11d. up to £3. 3s. 5d. per cent. If, on the other hand, we inquire into the cost of collecting the direct taxes before the income tax was imposed, we shall find that from 1839 to 1841 inclusive, it averaged £4. 11s. 10d., or about 4s. 6d. per cent. These results certainly would not encourage us to hope that a system of direct taxation levied equitably on the entire population, whatever form it might take, would be a very cheap fiscal device."

In answer, we will only say:—Look back to your own Table before given, and you will see that, in 1859, the factor of cost, for collecting the direct taxes, was the lowest.

We do not know what is the real factor for the collection of the Income Tax ; but if it be less than that for the collection of indirect taxes (of which there can be, or ought to be, no doubt,) it is so far a witness for the cheapness of the collection of a Property Tax.

In connexion with the reviewer's last sentence, his very next is too remarkable to be passed over unnoticed. He says :—"Observe, we do not for a moment mean to deny that a revenue derived *solely* from a tax on the income of real and personal property, might not be collected at a comparatively low rate (say two per cent.) if Statesmen could be found dishonest and impolitic enough to propose, and a Legislature self-denying, and short-sighted, enough to sanction such a fiscal system."

Then the reviewer does not deny what the Financial Reformers affirm.

The reviewer sums up thus :—

"That a judicious system of direct taxation costs more in charges of collection, than an equitable system of direct taxation, we hold, then, to be entirely disproved."

"A judicious system!" We would ask—Is the judicious system of your thought the present one, or some other to which you think a greater off-leaving of indirect taxation may lead us?

Financial Reformers do not think any indirect taxation *judicious*.

Again :—"That no objections can be brought against Customs and Excise duties which in some degree must be admitted as a set-off against their obvious and manifold advantages, we are by no means prepared to assert.

"Fiscal imports are always burdensome, always vexatious, and almost always mischievous; in their best estate they are only necessary evils; and a choice among objectionable expedients is all that fate leaves to the wisest and blandest Chancellor of the Exchequer."

This is another concession to Financial Reformers.

Again:—"The time was, no doubt, when restrictions on trade, and on the production of excisable articles, were so numerous and so unwise, as materially to cramp enterprise, and interfere with ingenuity; but since 1842, the Government has been on its guard against *this danger*, and it will shortly, we hope, cease to be true in any degree whatever."

Here we would ask—What danger? Is it the danger of some kinds of indirect taxes?

The reviewer so often yields half his ground to the Financial Reformers that, he seems to feel himself to be half beaten.

And thus he concludes on this head:—

"The marvellous expansion of our commerce, both inwards and outwards, during the last fifteen years, shows conclusively, at least, that no fiscal impediments can have operated to prevent that expansion. Nor, we are certain, used they ever do so, where the duties are moderate, and the collection of them is hampered by no needless or cumbersome formalities."

The expansion of a trade against hindrances is no measure of its expansion as freed from them. The making of glass expanded under the duty on glass, but its expansion then was very little to its sudden burst of expansion when it was freed from the Excise Officer.

"Our argument," says the reviewer,—"*is that, while the drawbacks on indirect taxes are enormously overstated by the 'Financial Reformers,' their counterbalancing recommendations are entirely overlooked, or audaciously denied.*"

In the next sentence, we have this not unimportant, though qualified, admission:—

"That indirect imposts act injuriously in hampering commerce and manufactures is true only where these imposts are injudiciously chosen, or clumsily levied. At

least, we may safely make this assertion as far as impost duties are concerned."

We accept this admission, and shall show that these imports are always injudiciously chosen, and clumsily levied.

The next admission is still more important:—

"That indirect imposts—and Customs duties among them—are in one respect more costly than direct ones, we freely admit. They involve to the ultimate consumer not only an enhancement of price equivalent to the duty, but to the duty augmented by the profit chargeable on that part of the merchant's and tradesman's capital which is employed in advancing the duty. That is to say, if an article is worth £100, and is charged with a duty of 10 per cent., the merchant, who in the first instance pays that duty, must recover his profit out of the consumer, not on the £100, but on £110; and all tradesmen, through whose hands the article subsequently passes, must do the same. The extent of the indirect burden thus laid upon the capital of the country is variously estimated by different writers, and in our opinion is erroneously overstated by most. Sismondi puts a case in which this burden *might* reach 70 per cent.! Ricardo appears to have estimated it at 10 per cent. Mr. Greg, in his "Essay on the Principles of Taxation," calculates it to vary from $1\frac{1}{4}$ to 5 per cent. One of the tracts issued by the Liverpool Financial Reformers, calls it roundly 25 per cent.; while the "People's Blue Book" puts it down at the sum of £10,211,483 a year."

Any one reading this would suppose that there was some great difference between the Liverpool Financial Reformers, and the Author of the "People's Blue Book." And yet, there is no difference at all! The figures given from the "People's Blue Book" are *precisely* 25 per cent. on £40,835,945, the net amount of the Customs

and Excise duties for the year ending 31st March, 1856.

What was the reviewer's motive—why he did not, as in the other instances, give the percentage, instead of these alarming eight figures in a row, mounting into the tens of millions, the reader may judge for himself, but this does look rather “audacious.”

He then goes on to say:—“These widely divergent estimates suffice to show how little reliance can be placed on any which claim to be precise.”

Now, it is evident that these estimates are not widely divergent, or at all divergent.

If the three first of the before-mentioned authorities be confined to the Customs' duties alone, in exclusion of the duties of Excise, which is the natural interpretation of the text, it is not unreasonable to suppose that their calculations are confined to the cost of the Customs' duties. Now, in this view, seeing that the Customs were in the proportion of 23·2 to the Excise 17·6, and seeing that the reviewer admits the cost of Excise to be by much the most ugly question of the two, (so much so, indeed, that he declines to undertake its defence,) it may not be unreasonable to suppose that these three first-named authorities would have estimated the cost of Excise as, at least, equal to that of Customs. How, then, would the case stand, on the reviewer's own showing, for the cost of Customs and Excise together?

As this is a question of amount in simple numerals, the reviewer,—who seems to be but a poor hand at figures,—will, perhaps, have no difficulty in following it.

The calculation would stand thus:—

Sismondi	140	per cent.
Ricardo.....	20	„
Greg	2½ to 10	„

And for the two last, now beyond dispute:—

The Liverpool Financial Reformers	25	per cent.
The Author of “The People's Blue Book”	25	„

Such appears to be the true state of the case. If so, the preponderance of authority—without presumption—may be said to be in favour of the higher estimate. But, be this as it may, the question is still substantially the same:—Is 25 per cent. too high an estimate for the “Extra Profit to Traders for advance of Customs and Excise duties?” Or, is “the extent of the indirect burden thus laid upon the capital of the country enormously overstated”—or, at all overstated?

Let us examine a little further into this question.

Rather more than one-half of the whole of the Customs duties is advanced by the Grocers; pretty good evidence this, that these duties cannot be, as said to be, an equal tax on all classes.

The net revenue of the Customs to 31st March, 1859, was £23,923,015. Of this sum the Grocers advanced £12,364,349. For the advance of this capital, loss of interest, and risk of collection, is it too much to set down 10 per cent.? Is it a fact, as asserted by the reviewer, that “importers now scarcely ever pay duty till they have secured a customer for their goods?” Is this “especially the case with high-duty goods, such as tea, which often pays duty on one chest at a time, as the grocer happens to want it”? Is this the way that Messrs. Joseph Travers and Sons, and other great wholesale dealers, distribute the vast supplies amongst the retail dealers of this country? Does the reviewer, who makes this assertion, himself believe it?

However, the fact is notoriously otherwise. A few private individuals, or small retail dealers, may occasionally take out their single chest of tea, but not in this way do the great wholesale dealers carry on their trade, and through them do most, and nearly all, of the retail dealers in Town and Country derive their supplies for the service of their customers. And who are the chief customers of the retail dealers? Who but the millions

of the working classes, and the poor, down to the poorest of the poor? If 10 per cent. be not too much for the wholesale dealer's first advance of capital to cover loss of interest, cost of collection, and bad debts, is this too much for the retail dealer's second advance of capital to cover the same incurred by him?

Is it enough for this second advance? Is the cost of collection, and the risk of bad debts the same in the second case, as in the first? Is not this cost and risk more than twice as great in the second case? Do not the retail dealers provide for this by an additional charge of 15, or 20 per cent., and to their poorer customers, 25 or 30 per cent., and by mixing teas of different qualities—sometimes making worse mixtures than that, and sometimes giving short weight?

Does the reviewer who has so confidently denied this charge of 10 per cent. for Extra Costs on Customs Duties, and who has presumed to call those *audacious* who maintain it—does he himself believe that they have overstated it?

As the reviewer prudently avoids the additional direct and indirect cost of Customs and Excise, under the various heads of Superannuation, and Compensation Allowances, and Pensions, Allowances, Drawbacks, Frauds, and Negligences, Prosecutions for Smuggling, Adulterations, and other breaches of the Revenue Laws, and Expenses of Maintaining Persons convicted, Augmentation of Poor-Rates, Loss and Injury to the Trade and Manufactures of the Country, and Loss and Injury to the Landed Property and Houses of the Kingdom—as he has touched but very slightly on some of these, and not at all on others, although these constitute the chief cost of, and, in the reviewer's summing up, the chief charges against, this system, we shall not here pursue the inquiry into all these ramifications,—a work of research and labor already done in the very useful Tracts published

by the Liverpool Reform Association, and in the former Editions of the "People's Blue Book."

From these will be seen the correctness of "the assertion that Customs and Excise Duties cost more to collect than equal amounts equitably levied by direct taxation;" and "that the pecuniary burden of these duties is materially enhanced by the extra profit charged by the importing merchant, or the original manufacturer, and by all subsequent distributors."

"But," says the reviewer, "these gentlemen, (the Financial Reformers) appear to us, in all their arguments, to fall into one capital and fatal error. They fix their exclusive attention on *one* attribute of taxation, and neglect other and more important attributes. In their estimates the cheapest impost is the best:—*Cæteris paribus*,—that is, the pressure on the various classes of the community being equal,—that form of taxation which takes least out of the pocket of the tax-payer in proportion to the amount paid into the Exchequer, carries its own paramount recommendation with it, and is to be preferred to all others: Now, this we hold to be an unquestionable fallacy."

The Financial Reformers hold this to be an unquestionable truth. They say, the tax with all these attributes, and under the condition given, *must be the best*.

Now, let us examine this position, for, on this much depends.

The reviewer says:—"A costly tax is an objectionable one, because it robs the tax-payer needlessly, and therefore does him an injury, and an injustice."

And then he adds:—"But a man may be injured otherwise than in his purse, and may be injured much more seriously than by any mere pecuniary mulct. He may be injured in his convenience; he may be injured in his feelings; he may be injured in his temper."

The State wants £20 from him.

"This," says the Financial Reformers, "it can obtain under a direct levy, by taking from him £20. 5s.; whereas, if you get it by indirect taxation you must take from him £21, or £22—clearly, therefore, the former is the only right mode."

"But what if he be called upon to pay the £20. 5s. at a very inconvenient time, in a very peremptory manner, in a large sum, in an undisguised and offensively ostensible form,—while the £21 or £22 he pays just when he pleases, in as small sums as he pleases, and,—what is still more to the purpose,—without being aware that he is paying a tax at all? What if,—instead of being irritated beyond endurance by the quarterly visits of the tax-gatherer,—always sure to be as ill-timed as possible, or to appear so—he never sees the face of that obnoxious functionary from the cradle to the grave?"

No bad bit of prudent humanity. Men who would take the tax-payer's £21, or £22, while he is under the narcotic effect of beer, or tobacco, and not aware that he is paying a tax at all, no sooner hear reformers talk of asking him openly for his money, than they are fearful he may be "injured in his feelings, or temper," and "irritated beyond endurance."

We think, however, that the man who has not been irritated by the call for income-tax,—a tax on the strokes of his weary arm, and the throbs of his hard-worked brain,—will not be irritated by a tax on his property, which yields him income without toil.

We agree that, "a costly tax is an objectionable one, because it robs the tax-payer needlessly, and therefore does him an injury and injustice."

We agree that "a man may be injured otherwise than in his purse, and may be injured much more seriously than by any pecuniary mulct. He may be injured in his convenience; he may be injured in his feelings; he may be injured in his temper."

But we do not see why his payments of a direct and certain fixed tax, on four certain fixed days in the year, should any more interfere with his convenience, his feelings, or his temper, than his quarterly payments of Rent in the year.

We cannot believe of the most ignorant person that, if the choice were offered to him of paying 5 or 10 per cent. addition to his rent, for the liberty of making each quarterly payment at his convenience within the year, he would accept the accommodation on such terms.

It is found from experience, that persons, even the poorest, who have their rent to pay on a certain day, and know that it must be paid, or that they must take the consequence, generally manage to pay it, and for that purpose, if necessary, make preparations long before.

And so it would be with a direct tax. The day of payment would be to them like their rent-day. They would prepare for it, and they would be much better prepared for it than they now are. It would be neither "*torn*" from him in the one way, nor *stolen* from him in the other; but would be cheerfully paid by the working-man when he was enjoying the full wages of his labor, and the necessities and comforts of life at prices from 100 to 500 per cent. less than he is now paying for them.

What, if the working men and women of this country should prefer having their wages free from deductions for any taxes on property? What, if they should prefer being able to buy all that their wages will purchase, at the market price, free from enhancement by Customs and Excise duties?—"as every man of common sense unquestionably will."

"Clearly, money is valuable only inasmuch as it can purchase the good things of life;" and, clearly, therefore, it is a fraud on the working-man to prevent him

from purchasing with the wages of his own labor, "the good things of life" at the fair market price.

"Clearly, freedom from periodical irritation is one of the best of these good things; and, clearly, therefore, it is worth while" for every man to pay something every "year to the State for protection, security, and justice." That will go far to bring peace. There will still be people who will always find something to quarrel about; but for "a calm temper and unblaspheming tongue," there would be nothing like the immediate abolition of all Customs and Excise duties. If any should feel a doubt about the quantity of blasphemy to be removed by this simple means, let them make themselves familiar with the process of passing persons and goods through the Custom House; and, for the Excise, let them only visit the Hop Grounds at the picking season, and the Malting Houses at the malting times; and, if they have the courage, let them witness the run of a cargo some dark night on the solitary sea-shore. They will then be better able to form a conception of what is now going on in blasphemy day and night throughout this Christian Land, especially under interruptions. [When this was written the obnoxious Hop Duty was in force.]

They will also then be able to form a more correct conception of what is going on in the way of perjury. It is, indeed, as the reviewer says—"worth while to pay 20s. more for peace—a calm temper, and an unblaspheming tongue." Whilst writing this, the blasphemy and perjury in the Hop Grounds is being removed to the public and private breweries. The exciseman, it seems, is now to be admitted into private dwelling houses, as well as into the Brewers' yards! It would have been better to have confined them to the Malting Houses, where they have been long established, if a diminution in the sum-total of blasphemy and perjury were desired.

We now come to another objection, in which the reviewer evidently seeks shelter under the broad shadow of his own admission. There is so much truth in what he says here, that in justice to him we must give the whole in his own words,—and here they are:—

“Strong objections are urged against these Customs and Excise duties on another ground—the irresistible temptations and opportunities which, it is alleged, they offer to fraud and evasion. The impeachment must be admitted: as long as these duties exist there will be attempts, and successful attempts, at smuggling, and illicit distillation. But the objection applies—and probably with equal force—to all species of taxation. Payments to the revenue, however levied, will always be evaded when evasion is possible; and fraud, lying, and concealment, with all their demoralising consequences, will result. Even now, the dishonest practices, stimulated by Schedule D, and the legacy and probate duties are formidable items of comparison to set against the violations of Excise and Customs laws; and the fearful extent to which the former would be multiplied, were direct taxation levied on the masses, instead of, as now, only on the few, no man can foresee. Moreover, there is one fertile source of temptation and fraud appertaining to direct taxation, from which indirect is wholly free,—namely, *Exemptions*. Every magistrate is more or less cognisant of the deplorable amount of equivocation and false swearing, employed to prove, for example, that a house is worth only £19. 19s., and is, therefore, exempt from the house tax;—that the effects of a deceased person were under £20 in value, and that, therefore, Letters of Administration need not be taken out;—that the income of the appellant is less than £100, and that, therefore, he is exempt from the income-tax; that his carriage, or his horse, or his dog, or his gun, or his under-gardener, is exempt from duty on this or that

assignable plea. When all things are taken into consideration, it becomes impossible to decide between the relative degrees of demoralising temptation assignable to the two fiscal systems ; and we shall, therefore, leave this class of considerations out of the question on both sides."

Now, all this is only too true. But what admissions these are ! What better arguments against the existing system, than are to be drawn from these admitted facts ! Of all the taxes now imposed and levied, there is not one single tax which does not come, more or less, under this sweeping condemnation ! Yes—there is one single exception, if that is to be called a tax which ought never to be so treated or regarded, and that is,—the Postage Stamp. That is not properly a tax, but a payment for value received, and is the only good bargain ever made for the People with a Chancellor of the Exchequer—made by the almost unanimous voice of the People.

With that single exception, there is not one tax now collected which does not stand condemned by the reviewer under this extract, though written with a very different purpose. Like many an over-zealous advocate, he has admitted himself 'out of Court.' "The objection applies—and probably with equal force—to all species of taxation" now in use.

"Payments to the revenue, however levied, will always be evaded when evasion is possible ; and fraud, lying, and concealment, with all their demoralising consequences, will result." Yes—it will always be so, and knowing that, why persist in a system which not only permits, but encourages all these evils ? Evasion of the Law may be an evil, but cannot be a crime. The means may be both, but is not necessarily either. Evasion is only avoidance, and open resistance is only one form of avoidance. Hampden's evasion, by open resistance, of the 'Ship-Money Tax,' was neither an evil, nor a crime,

and nobody *now* supposes that it was either, though many weak persons, including *learned* judges, as they were called, thought it both, or said it was both, in those days. Many persons, even *learned* judges, are no wiser now, than in those days.

It was not a great many years ago—it was in the year 1814—that one Edward Pollo was executed at the new gaol, Chelmsford, for cutting down a cherry tree, in an orchard, or rather plantation, at Kelvedon, in Essex, the property of a Mr. Brewer. The Judge hanged him by the law of inference, remarking,—“That a man who would wilfully cut down a young cherry-tree, would take away a man’s life.” That Judge,—whom the writer well remembers,—was Mr. Justice Heath. The man who confirmed that atrocious judgment, and ordered it to be carried out in execution, was our Prince Regent, afterwards King George the Fourth! His Prime Minister was then Robert Earl of Liverpool; and the Keeper of the Royal Conscience was John Earl of Eldon. St. Paul said of Alexander, the Coppersmith;—“The Lord reward him according to his works!”

Perhaps, in the history of the world, no greater criminality can be shown than in our penal laws. But, can any one put a case to show that evasion of the Law is necessarily criminal? The means may be so, and the end may be so; but the evasion itself may be most laudable. In many cases it is highly criminal, in some less criminal, in some not high-minded; but not to be high-minded, is not to be criminal. It is not high-minded in a poor man to smuggle a keg of brandy, or a few pounds of tobacco; nor is it high-minded in a high officer of State to shirk the stamp-duty on his appointment to his high office, but it is not criminal. Both frequently happen, and the object of both is the same—to cheat the Government—but no one looks on either as criminal. No doubt, the act of the poor man is looked

upon by many as very venial, and by others as very venal, and he is treated according to Law; but the act of the rich man,—which is really much more venal,—is generally regarded as venial, and, when discovered, is simply rectified, as one rectifies a mistake, when discovered to be a mistake.

What a folly to make laws for human beings, against human feelings!

It is the natural feeling against a bad law which prompts evasion.

In this view, if an 'Association for the Encouragement of Smuggling' could be established, without coming under the penalties of the Law, it would be a valuable institution deserving the support of all good subjects. If a man coming from abroad into this country—a foreigner, for instance, unacquainted with our law—be found with more than a pound of tobacco in his possession, which has not paid duty, more than five hundred times its prime cost, he is liable to be put into prison, and to pay £100 to the Queen!

Is it more criminal to evade, than to make such a law as this?

It is by evasion that all these absurd and wicked laws are ultimately repealed.

It is the cry of universal indignation which stopped, at last, the burnings of our Bloody Queen Mary—which has swept away so many of our murderous criminal Laws—which has repealed our infamous Corn Laws—and which will abolish our wicked and contemptible Customs and Excise Duties.

In the meantime we shall continue to sympathize with the Smuggler who is helping to unfasten the iron rivets of our chains; and we shall soon have to thank him for much more.

Then, look at the poor Malster—what a fearful trade!—to this, the Samphire-gatherer from Dover Cliff is

nothing! Or, think of the poor Hop-grower, with an Exciseman at one elbow, and the tempter at the other! How the devil must have laughed at the poor hop-grower, who was ruined by a bountiful season! And what a devil's deputy must the Chancellor of the Exchequer have been, who had to send the poor hop-grower to prison for Nature's freak! This particular folly, however, has at last come to an end, by the repeal of the Hop tax: but only to let in a new tax, which is obnoxious and offensive, in the highest degree, to both principle and decency;—namely, a tax on brewing beer, for private use, in private houses. Truly,—as the Editor of “The Parliamentary Remembrancer” says:—“A tax on the roasting of beef, or the use of the Coffee-beggin, would stand on exactly the same footing, and be exactly as sound and reasonable. The retrograde devices of taxation which Mr. Gladstone is thus attempting to force again upon the country, were solemnly condemned nearly two hundred years ago, when Parliament pronounced an analogous tax,—the Hearth tax, to be ‘a Badge of Slavery upon the whole People, exposing every man's House to be entered into and searched at pleasure by persons unknown to him.’”

But to look into all the wonders of our legislation would be an endless job. Some notable examples of these wonders are given in the three former editions of the ‘People's Blue Book,’ and will not be here repeated. We have no room for repetitions. But let us have another look at the Income Tax, which all our wise philosophers and legislators are racking their brains in vain attempts to adapt to common sense and justice.

Everybody knows—who knows anything about the matter—“the dishonest practices stimulated by Schedule D.”

Yes—everybody knows it—or, if they don't—let them look into the returns of the principal shop-keepers in

Regent Street, Pall Mall, the Strand, Fleet Street, and Oxford Street, and in all the other great thoroughfares of the Metropolis. Then let them look into the returns of the principal Bankers and Merchants in the City and West End. Let them go into the Inns of Court for the Lawyers, and into the Squares and the Rows for the Physicians and the Surgeons, and let examination be made into the Returns for the Income Tax by all these excellent and high-minded men.

What a state of bankruptcy, or perjury, is here betrayed ! Or, what a lot of criminals, if evasion of the law be a crime ! A clear income of £2000 a year is hardly to be found !

Can anything equal the absurdity of asking a person to value his own property for the purpose of taxing him !

It is almost as absurd as a Member of the House of Commons asking a Member of the Government to account for the application of a particular sum of money voted on an Army or Navy Estimate !

Is anyone so foolish as to suppose that there can be the smallest difficulty in appropriating any moderate number of thousands, to any of the variety of headings most convenient ?

What is this but evasion ?

Evasion without risk of detection.

This is an evil state of things, but the evil works its own remedy in the end.

At present, the tax-gatherer asks for a lie, and he gets it.

Everybody evades—that is, lies. A noble Lord, formerly well known about Town, used to say that, he derived his whole income from the Property Tax Allowances !

The Law makes all liars, more or less. The sooner this system of legislation is changed, and all its costly

and cruel machinery is swept away, the better for all parties concerned—the Government, and the People.

The instances of confusion of mind and argument in the Edinburgh Reviewer are so numerous that, to point them all out would be attempting too much.

But there is one instance which must be specially noticed.

In the extract already given (p. 261), it is said:—"There is one fertile source of temptation and of fraud appertaining to direct taxation, from which indirect is wholly free,—namely, *Exemptions*."

Now, it so happens that, in the very next page (p. 262), we come to the following:—"At the outset we must remind our readers that the taxation of the poor man is *entirely voluntary*. He assesses himself, and he need not contribute one farthing to the revenue unless he pleases. No actual *necessary* of life is taxed. Bread and meat pay no Customs duties, and no Excise. Tea, coffee, sugar, tobacco, and beer—though now by habit become almost indispensable—are in no fair and intelligible sense *necessaries*; a man may live, as all men used to do, and as numbers do even now, in perfect health and strength and comfort without touching one of them; nay, he will improve his health by abstaining from, at least, two out of the number." . . . "They are all luxuries and superfluities: it is very right the working man should have them, if he chooses; but why any more than the rich man he should have them without paying for them, it is impossible to see. If he can purchase them it is because he has money to spend on superfluities, and the portion of his income that he can set aside for superfluities is surely a fair subject for taxation. If he pays any tax at all, it is because he has stepped voluntarily into the tax-paying classes."

This proves too much. If the poor man can shun indirect taxation by doing without taxed life-gear, so can

a rich man shun direct taxation by doing without his property. John Toiler, it is true, may free himself from taxation on tea, coffee, sugar, spirits, tobacco, and beer, by giving them up; but so may Mr. Fullpurse shun taxes on his house and stocks by giving them to his neighbours;—or, If an Englishman will live, as our Government ought not to deem that he will live, in wealthy England, he may escape much taxation. If he would live on his own tree like a monkey, and eat berries, and insects, he would not be taxed for life-gear, which is afforded by the labor of his race:—we allow this, but we want to know, if indirect taxation ought to drive him to the alternative of monkey-life, or savage-life.

But, can a poor man escape taxation by refraining from tea, coffee, sugar, spirits, tobacco, and beer? Can he, without any taxation, have a tallow candle in his house; or, a little rice, instead of diseased potatoes? or, medicine to take, or, an orange to suck, when he is sick? or, spices in his holiday dinner? or, timber in his floor, or stairs, or door? or, receive a legacy from a kinsman, or a friend? or, try to get his bread by dealing in horses, or selling goods by auction?

It was just before stated that, “there is one fertile source of temptation and of fraud appertaining to direct taxation, from which indirect is wholly free—namely, *exemptions*.”

It is now said that “the taxation of the poor man is *entirely voluntary*”:—that “he assesses himself, and he need not contribute one farthing to the revenue unless he pleases.”

If so, the poor man may, without fraud, bring all articles, subject to indirect taxation, within the class of *Exemptions*! Abstinence alone is now necessary for making all non-necessaries exemptions! Though man cannot live on bread alone, yet it appears that he can live on bread and meat alone, which are not taxed; and,

therefore other articles, which are taxed, "are all luxuries and superfluities."

It is asked—"why should the poor man, any more than the rich man, have these luxuries and superfluities without paying for them?"

There is no good reason why he should. But who ever proposed that he should? Who ever proposed anything more than that the rich and poor should be able to buy at the same price?

Some will answer—"They can do so now." But they cannot. The poor man does not buy his tea in little packets of ounces and half ounces at the same rate as the rich man buys his parcels of pounds, and hundredweight, and chest. But this is not the worst of it. The duty to the poor man is, in all cases nearly, and in many cases entirely, prohibitory. To the poor man, in all cases it stints, and in many cases prevents, consumption. In no case is this the operation of the duty to the rich man. To him the duty makes no sensible difference as regards his supply. Therefore, it is not true that "rich and poor are able to buy at the same price." The same might as well be said if the duty were raised 1,000 per cent. Rich and poor would then be able to buy at the same price, but the poor would buy very little. Some tea is now sold to the rich at 20s. a pound, and the poor are able to buy *that*, but they never do.

If the tax be equal at 100 per cent. it is equal at 1,000 per cent., or at 10,000 per cent.; but the pressure of the tax is not equal in these cases, any more than it was in the bread tax.

It is, therefore, not enough to prove that a tax is equal to all. It is essential to show that the tax presses equally on all. That the amount of the tax is the same to all, is admitted. That the pressure is the same on all, is denied.

If tea and sugar be not necessities, neither are boots and breeches. Taking the population of the whole world, more human beings live without the two latter, than without the two former articles; indeed, the most eminent medical authorities assert that, human life cannot be sustained without sugar in some form; and it is well known that, on bread or meat alone, human life perishes from the want of sufficient sugar.

So much for this criterion. And who is to determine what are, and what are not *necessaries*?

Voltaire in his satire, 'LE MONDAIN,' said:—

“ Le Superflu, chose très-nécessaire,
A réuni l'un et l'autre hémisphère;”

It was said by Domat, the friend of Pascal—“ Le superflu des riches devrait servir pour le nécessaire des pauvres, mais tout au contraire, le nécessaire des pauvres sert pour le superflu des riches.”

And so it appears to be, for by far the largest portion of the tea and sugar imported into this country, is consumed by the working classes; and, whether they buy it for themselves, or it is bought for them by their employers, the working classes equally pay for these articles out of their wages.

But those who know how the majority of Infants are brought up (especially amongst the poor and working classes), know that their existence depends on sugar, for without it they cannot be reared.

In towns, the poor and working mothers being obliged to leave their homes in the day to earn their bread, very few of them can nurse their infants without artificial means, of which sugar is an essential ingredient, and, therefore, must be bought, though bread be unbought.

This fact, too notorious to be matter of doubt, goes

far to prove that sugar is a necessary, notwithstanding the Edinburgh Reviewer classes it amongst luxuries.

In this view of the case we get rid of the Tables of distribution of tea and sugar, between the three orders of society, which those Gentlemen, called 'Commissioners of the Inland Revenue Department,' have lately been amusing themselves with framing, and over which there has been so much squabbling. We are not going to take any part in that squabble. It suits us well enough to take the facts on their own showing, absurd as the statement is on the face of it. It is sufficient for us that more than half the Customs duties is admitted to be paid by the Grocers, and that their best customers by far are the working class.

This proves that by far the largest portion of the duties on tea and sugar is paid by the poorest part of the population, and, consequently, that the pressure of the tax is not in equal proportion on the rich and poor.

This was fairly admitted by Mr. Gladstone, Chancellor of the Exchequer, in his Speech on the Budget, 1859.

He said:—"In dealing with the question of *direct* and *indirect* taxation, there is one argument which, perhaps, though imperfectly expressed, is substantially this—the distinction between them involves the question between rich and poor. All classes pay indirect taxation; the middle and wealthy classes pay direct; but indirect taxes press always much more seriously on the laboring population."

This is a great admission from a Chancellor of the Exchequer, for it is an admission of the whole case.

Indirect taxation must always be paid, more or less, out of the wages of labor, taking wages in its largest sense, as the reward for industry and skill.

Now, it is an axiom, that it never can be just, and never can be true policy, for any Nation to tax directly, or indirectly, the wages of labor, as such. The prin-

ciple is precisely the same whether the wages be £50 a year, or £50,000 a year. The amount in no way alters the principle, or affects the question. It is unjust and unwise, and as unwise as unjust, to diminish the wages of labor by any tax. In this view, the wages for the labor of the hand, and the labor of the head, are precisely the same. The wages of the common hand-laborer, the fees of the Lawyer, and the Physician, the profits of the Banker, Merchant, Manufacturer, Shop-keeper, or other Trader, are in no way distinguishable. As such, none ought to be "*touchable*" by any tax. To diminish these *as such* is unjust, and must be unwise,—must be as unwise as unjust. Wages and Profits when left untouched by the tax-gatherer must soon change their character, and appear in some form of *realised* property.

In that new character they come more immediately under the protection of the State, and then they come more properly within the power of the State, and become liable to contribute to the necessities of the State. But as the wages of labor, or the profits of industry or skill, the State can have no just right to the smallest fraction—no right on the ground of justice—no right on the ground of policy, or expediency. To some it may appear unreasonable that the Lawyer, or the Physician, who is making £10,000, or £20,000 a year by his profession, should contribute nothing to the exigencies of the State, and that the poor Widow, who is receiving £10 a year from the Funds, should contribute £1.—But there is no injustice in that, and equality of taxation is preserved, both in amount and in distribution, however great the pressure, when such a deduction is made from so small a sum.

But the pressure is not greater on the Widow, because the Lawyer and the Physician go free. Quite the contrary. By that freedom the Widow is set free from

every other tax upon her property during her life, and after her death. By that freedom "all the luxuries and superfluities" are free to her at prices which will make her remaining £9 equal to, at least, twice that amount in purchasing power. For her comfort and enjoyment her £10 becomes equal to £20.

The reviewer, among other critical remarks, cannot understand "why joint-stock Companies should be mulcted, and private mercantile Companies escape."

This objection has been made by others, and it deserves an answer.

It is said to be unreasonable and unfair to tax realised property when invested in a Joint-Stock Concern, and to leave it untaxed when invested in a Private Concern.

On a superficial view, this would appear to be an arbitrary, and not very reasonable, measure. But the same objection applies to taxing the Government Funds. In all human schemes requiring distinctions, there must be approximations so close that the line of distinction is scarcely discernible.

The principle of the proposed tax is, however, clearly marked, and is applicable to this, and to every other case, without exception. The proposed tax is to be levied equally on all realised property, (not engaged in Agriculture, Trades, Manufactures, or Professions,) the value of which can be ascertained by the actual, or estimated, annual produce, without application to the owner. That is the definition of the description of property proposed to be taxed, contra-distinguished from capital, or floating property; the assumption being that capital which employs productive industry and skill, is usefully employed in the production of fresh capital, and, being necessarily subject to fluctuations in value partakes more of the character of floating, than of realised, property.

It is assumed to be inexpedient to tax such property

Whether right, or wrong, this is assumed as an axiom. If wrong, the whole theory is upset, and all that is here built upon it falls to the ground.

If the property be so invested that the owner can live in idleness on the yearly produce, and the value of the property can be ascertained by the yearly produce, or can be otherwise estimated, without application to the owner, then such property is assumed to be *realised*, and is made subject to the tax accordingly.

That is the assumption, and that is assumed as an axiom, which can never be overthrown.

Cases may be put to show that the line of distinction is very fine between floating, and realised property; and it may appear in many cases quite unreasonable, that public investments should be taxed, and private investments left untaxed. The rule is arbitrary, but it applies equally to all, and the principle is clear. It may affect, but it cannot control, the judgment, or discretion, of the owner of the property. He is free to exercise his own will; and, as he may determine, he is subject, or not, to the visitation of the tax-gatherer.

Whilst he is engaged in the uncertain results of agriculture, in the risks of trade, or the labors of a profession, he knows that his profits will be undiminished by taxation.

So it ought to be—for his own interest—for the interest of the State—and for the interest of everybody. It is not wise to rob the hive, until the honey is made.

When he wants to enjoy in idleness, he can do so; but then he knows that he must pay for it; and then he ought to pay; not “according to his means,” but in the same proportion as others pay under like circumstances.

If he invest his Capital in a Joint-Stock Concern, he has the benefit of a special law for his protection, and his liability (if limited) is less than in a private partner-

ship. It is not unreasonable that he should pay for that advantage, and other advantages, although his money be employed in works of productive industry, and all private partnerships be exempt from taxation. Here is no hardship, because no compulsion. The choice is free. The condition is prefixed. The principle is preserved, and the line of distinction, though some may think it fine, is still clear; moreover, it is fixed and certain,—known to all—equal to all.

The principle respects the undoubted right of every individual to invest his money as he likes, and without question or interference on the part of the State, unless the investment be made in Land, or Houses, or in the Public Funds, or in any Public Company; and then the State asks no question, and interferes so far only as is necessary for obtaining that contribution which the State requires, and is justly entitled to take:—in the case of Land, in right of the original and prior title in the State; in the case of the Public Funds, in right of the privilege given to the public for the free transfer of such portions of the Public Debt; in the case of Public Companies, in right of the protection extended by the State to such Companies; and in all these cases, in right of the Constitutional power of Parliament to take these contributions for the Public good.

But it is not a rightful exercise of this power to require a person to declare the amount or value of his property; or, in any manner to touch it whilst it remains in his own private possession, or under his own private control. If a person choose to lock up his money in a box, or to expend it for his own amusement, or to lend it to a friend on his personal security, it is not a rightful exercise of the power of the State to interfere in any manner with that person's money so employed. But it becomes a different question, when a

person employs his money for his own profit, through the intervention of the State. In that case it is not unreasonable to say that, the State then acquires a right to touch the money so invested, and *then*, but not till then, *that* becomes realised property, and fairly subject to the tax. But then no question is asked of the owner;—no question of conscience is raised;—no premium for perjury is held out; there is no interference with agriculture, manufactures, trade, or professions; the rights of property are respected, and the political rights of the State are supported.

Such is the answer to this class of objections. To many the answer will not be satisfactory, but those who still complain of the injustice of charging their realised capital in the Government Funds, or in a Joint Stock Company, with a tax of 10 per cent., whilst others who invest their Capital in private Concerns are untaxed, must bear the injustice, or remove their money from the reach of it. They have the choice, and if they choose the injustice, they may as well take it with its benefits, and be silent.

The foregoing remarks of the Edinburgh Reviewer are little more than preliminary to ascertaining “in what proportion the existing taxes are divided among the upper and middle classes, and the *prolétaires*.”

We shall not follow him in his divisions and calculations. He says for himself:—“Our figures—as we have already taken occasion to warn our readers—can only be approximations.” We take this to mean that, his figures will not bear close examination,—a truth which we admit, and will give him the benefit of.

We will take him on his own figures, with all his faults; but as the present inquiry is into the distribution of taxes, and not of local rates, and more particularly of Customs and Excise Duties, we shall take the liberty of omitting everything else from this account,

although he has, more wisely for his own views than fairly for ours, included all in the same account; charging fourteen-fifteenths of the local rates, and the whole of the 'Income Tax, Assessed Taxes, etc., Probate, Legacy Duties, and Stamps, to the Propertied Classes.'

There is no occasion for over-charging either side. We shall, therefore, omit all these rates and taxes on both sides, and, for simplicity and fairness, confine the account to Customs and Excise Duties, in the first instance, reserving the other charges for separate notice, our object being to expose the truth which the reviewer seems desirous of hiding.

We accordingly take the account of Customs and Excise duties as distributed by him, although he has, with manifest unfairness, charged *all* the Railway Passenger Tax, and *all* the Customs Duties on Brandy and Wine, to the 'Propertied Classes,' assuming that under these heads nothing is contributed by the 'working classes.'

But with these allowances, and many other singularities, the Case, according to this authority, and on his own showing,—stands thus:—

Customs and Excise duties paid by the 'working		
classes'		£23,348,612
„ „	Propertied Classes'	19,287,812
		<hr/> £4,060,800

Thus, it appears that, of the Customs and Excise duties, the Working Classes pay upwards of four millions a year more than the Propertied Classes, even with the manifest error of charging to the latter the whole of the Excise for Railway Passengers' tax, and the whole of the Customs for Brandy and Wine duties,—amounting together to £2,997,177! Or, upon

the aggregate of Customs and Excise duties, viz.:—£42,636,424, the Working Classes pay, 54·762 per cent., which is £54. 15s. 2 $\frac{3}{4}$ d.; and the Propertied Classes pay 45·238 per cent., which is £45. 4s. 9 $\frac{1}{4}$ d.!

The reviewer then proceeds to estimate the proportion of the working classes to the whole population, and he comes to the conclusion that, the working classes of the United Kingdom form, *at least*, three-fourths of the total population, or 22,500,000, leaving *one fourth*, 7,500,000 for the middle and upper classes, including among these all who do not live by wages.

The number of the working classes he reduces to 4,700,000 working-class families in Great Britain and Ireland; and for their aggregate income he arrives at a total of £225,000,000.

By another process, which we will call the *hocus pocus* process, the reviewer says (page 267), “this would give the entire revenue of the upper and middle ranks as £320,000,000. The comparison will then stand as follows:—

“The working classes, 22,500,000 in number, and with an aggregate income of £225,000,000 a year, pay £24,500,000 of taxes,—that is 22s. a head, or not quite 11 per cent. [Correctly, £10. 17s. 9d. per cent.] The upper and middle classes, 7,500,000 in number, and with an aggregate income of £320,000,000, pay £51,500,000,—that is, £6. 17s. 4d. per head, or 16 per cent.” [Correctly, £16. 1s. 10 $\frac{1}{2}$ d. per cent.]

The reviewer says (page 244), that, the real pressure of taxation depends entirely on the wealth of the people pressed upon, and unless the wealth of working men bears a greater ratio to that of the rich than $\frac{11}{100}$ to $\frac{16}{100}$ —(and we say it does not), they are more oppressively taxed than the wealthier classes; and that is what the Financial Reformers maintain.

Such is the result of the comparison between the

classes, made by the reviewer himself, on his own terms, as regards Customs and Excise Duties.

We will now make the same comparison with the Income Tax, Assessed Taxes, etc., and the Probate and Legacy duties, and Stamps.

According to the Income Tax Return, made up to the 5th April, 1858, the total amount of property assessed in the United Kingdom was £327,146,845, and the amount of tax imposed was £7,905,525.

The total imposed under Schedule C. was	£860,865
„ „ „ „ D. was	2,392,243
	<hr/>
	£3,253,108

The reviewer, in commenting on Mr. Bright's suggestion for abolishing the Customs and Excise duties, and other taxes, and for substituting "a tax upon property, in order to cover the enormous deficiency thus created," says (p. 269) :—"We have to remark that, the general effect of this plan is not to substitute direct for indirect taxation, inasmuch as it repeals direct taxes producing nearly £11,500,000 a year. The Income Tax, and the Assessed Taxes are direct in their incidence, and Schedules B., D., and E., of the Income Tax—the Schedules of Farmers, Trades, and Professions, and Public Officers,—which this Scheme repeals without a substitute, are just as much direct taxes, and possess as much of the advantages ascribed to that class of imposts, as Schedules A. and C.,—the Schedules of Land and the Funds. Neither can it be said that it is a substitution of taxes levied on the rich for taxes levied on the poor. Many of the taxes proposed to be repealed, are taxes whose incidence is not upon the poor: such are the Income Tax, the Assessed Taxes, the duties on Fire and Marine Insurances, the Duties on Paper [since repealed], Books, Raisins,

Foreign Wines, Silks, Timber. The true object of the plan, as has been already stated, is to transfer fiscal burdens from the trading and professional classes, to the classes possessed of fixed or realised property."

The reviewer seems to consider that, since the Income Tax is a direct one, the promoters of a Property Tax (which is also a direct one) should object to a tax on earnings. There is the widest difference between a tax on labor, and a tax on property.

In the next page (p. 270), he says:—

"This heavy tax would fall, not exclusively on the rich, but upon all persons deriving an income, however small, from realised property, provided that property amounted to £100. For example, a merchant, a banker, a manufacturer, a railway contractor, a barrister, a physician, an engineer, or even a Minister of State, receiving a clear income of £5000 a year, would escape untaxed; but every person who had invested £100 in the Funds, or in a Savings Bank, would receive his dividend with a deduction of 13 per cent."

Let it be granted that a physician receives a yearly income of £5000 untaxed, while another may be taxed upon £100 a year, as property. What then? We say that the physician would store much of his £5000 a year, as property, and, in that form, it would be fairly taxed.

It may be answered that, he may be a spendthrift, and may not make property of any of it. Be it so. Then we hold that it would pass on till it came into the hands of thrifty men, and would be taxed as property with them.

The fruits of labor are not annihilated on leaving a spendthrift. They will be made into property somewhere, unless destroyed by fire or water, or by war, or other State evil, and it is indifferent to the State whether they be taxed with A, B, or C. If a spendthrift epi-

cure, with £1000 a year, were to give £600 a year to a thrifty truffle-hunter for truffles, he might make a new house, or other property, out of this income, and the State would lose nothing by taxing him, instead of the other.

Let a man who has £100 from the funds, and another who earns £100 a year by the whole toil of his limbs, and the whole time of his weeks, be taxed each by £10.—What then? Why some may say that, if the working man be pinched for a livelihood on his £90, so must be the fund-holder.

No such thing. The £10 taken from the fund-holder, leaves him with his mind, his limbs, and his time, free for work to make up his livelihood; but the man who is taxed of his earnings has no other set of limbs to undertake any more labor—no other brain to take the work which racks his throbbing head—no other days in the week to spend in new toil. He is taxed in his last resource of income. One has been taxed upon £100. The other upon nothing but the strokes of his limbs, or the throbbings of his brain.

This is the wickedness of a tax upon labor, and we hold that men should not be taxed in their last resource of income, till England is in her last peril—with the foe on her shores.

But the taxers of labor will not allow earnings to become capital. Their's is the wisdom that might cry—'Give me the leveret, I will not wait for the hare'—'I will have the gosling, it shall not become a goose'—'I will have the salmon fry, not the salmon.' Again, it is said:—"Why—if you tax property, you tax labor—past labor." Well—the answer is this:—"Let it be granted that a man has labor stored in the form of £2000 capital, which yields him an income of £100 a year, on which he pays a tax of £5; then he pays a *four hundredth* part of his labor. But if a poor wretch pay £5

on £100 the fruits of his year's toil, he pays *one twentieth* part of his labor."

Why should a poor man be taxed of twenty times as much of his labor as a rich one?

'But,' it may be said, 'it is unfair to take the taxation of the owner of the £2000 for only one year, as he may be taxed on it for many successive years.'

Very well—if he pay £5 per cent. on the yearly income of £100 which his capital of £2000 affords him, and if n be the number of years he is taxed, he pays in tax $5 \times n$, or $5n$, and retains $95n$, with his £2000 capital; and the working earner of £100 a year, by toil, is also taxed $5n$, and retains from the tax-gatherer $95n$, and so the difference between

£2000 + $95n$, and

$95n$ subtracted from it,

is £2000 0, which shows that the rich man's £2000 is never taxed at all, but is left to him intact.

It is a very likely objection to a Property Tax of one-tenth, or 10 per cent., that so heavy a tax would diminish, to a man of property, his yearly income, and his means of affording to the working classes, the good of his wealth, either in the form of wages for work, or deeds of beneficence, or poor-rates.

The answers to this objection are:—

1. His income would not be diminished by the amount of the tax, since the now taxed commodities of life would be tax-free, and, therefore, would come cheaper to his household.

2. If the off-taking of *indirect* taxes improve trade, and better the case of the working man, he will be under less need of the unearned good of the richer man's wealth.

3. If the bettering of the state of working men would

lessen, as we believe it would lessen, one cause of crimes against property, then we hold that the transference of taxation from labour to property, would lessen, to the owner of property, the tax of crime in the cost of needful though barren vindication of the law against criminals. It is as cheap to pay a man a trifle more of money for his loaf-earning labor, as it is to spend that trifle, or more, for the vindication of the law on his stealing his loaf; and any land may as well be taxed for the working man's self-sustenance, as be equally taxed for his food in the Union-house.

On these grounds we believe that the richer man's yearly income would be little, or not at all, diminished by a tax on property, rather than on labor, or on the laboring classes.

It is a remarkable fact, proved by the Income Tax Returns,—as far as such unreliable evidence goes,—that out of the whole population of the United Kingdom, only 284,205 persons are in possession of incomes above £100 a year!

It appears from a statement in an Official Report on Friendly Societies that, the number of persons entitled to receive dividends on the Public Debt payable at the Bank of England, in the year ending July, 1859, was 269,330; and that there were 1,383,358 depositors in Savings-Banks on the 20th November, 1858; so that the latter class was more than five times as great as the former.

In the Savings-Banks, 658,506 depositors invested sums under £10, and 200,525 averaged only £66 each; and the number whose investments exceeded £200—was 1,499.

The number of persons entitled to dividends on the Public Debt at the Bank of England, in July 1859, are thus classified in this Report:—

				Persons.
Not exceeding	£10 per annum	.....		94,301
More than.....	10 not exceeding £20	.....		44,917
„	..... 20	„	100	86,943
„	..... 100	„	200	22,663
„	..... 200	„	400	12,712
„	..... 400	„	600	3,663
„	..... 600	„	1000	2,378
„	.....1000	„	2000	1,174
„	.....2000	„	4000	376
Exceeding.....	4000 per annum	.....		203
Total.....				<u>269,330</u>

Thus it appears that the total amount of the Public Debt is held by less than *one-hundredth* part of the entire population of the United Kingdom! And that the Capital of the Public Debt, enormous as it is, is represented by a comparatively insignificant proportion of the whole population.

Now, taking all the facts together, thus arrived at, from the best statistical data which the country affords, —is it reasonable to charge *the whole* of the Income Tax as paid by the Propertied Classes? But this is what the reviewer has done, in his estimate before given! It is very difficult to say what proportion should be charged as paid by the Working Classes, but it is very easy to say that the whole ought not to be charged as paid by the Propertied Classes. We shall, however, charge only 10 per cent. on Schedules C. and D, as paid by the Working Classes, and that will be, together, £325,310.

And in consideration of allowing the whole of the Assessed Taxes, etc., and the Probate and Legacy duties to stand, as charged, to the Propertied Classes, we shall charge 10 per cent. on the Stamps, as paid by the Working Classes, and that will be £825,580.

With respect to the Local Rates charged, to the amount of £14,000,000, as payments by the Propertied

Classes, we take the liberty of striking out the whole of this, as not properly chargeable in this Account.

The corrected Account will then stand thus :—

	Propertied Classes.	Working Classes.
Customs and Excise Duties.....	£19,287,812.....	£23,348,612
Income Tax, Assessed Taxes, etc....	9,649,984.....	325,310
Probate, Legacy Duties, and Stamps	7,421,762.....	825,580
	<u>£36,359,558</u>	<u>£24,499,502</u>

Thus it appears that, the Propertied Classes, or those who do not receive their incomes as the wages of labor, pay 59·743, or £59. 14s. 10½*d.* per cent. of the Government Taxes; and that the '*prolétaires*,' the working classes, or those who derive their incomes from the wages of labor, pay 40·256, or £40. 5s. 1½*d.* per cent. of the Government Taxes.

This comparative statement needs no comment. It answers the Edinburgh Reviewer, and confirms the comparative statement already given between the Taxes on Trade and Industry, and the Taxes on Property.

It is not our intention here to enter further into this part of the inquiry. We shall only observe that we see nothing in the facts and figures, or arguments, of the Edinburgh Reviewer, to shake our confidence in this Comparative Statement, and we think our readers will do well to consider it carefully.

We shall now advert shortly to the Local Rates, including the Poor Rates, which the reviewer introduced, and which we omitted, in his account.

Taking the whole amount of the Local Rates, as stated by the Reviewer, at £15,000,000 a year, we say that no part of this sum belongs properly to this account.

We are accustomed to hear it said that Land is made to bear an unfairly large proportion of the public bur-

dens. That unfounded allegation we have already answered, and we deem that answer to be a complete refutation.

But we are prepared to maintain that, the local charges are incident to lands, tenements, and hereditaments, and to no other description of property, and, therefore, cannot properly be brought into account with charges imposed on other descriptions of property to meet the burdens of the State.

This we have already shown in considering the origin of titles to Land, in answer to the objection on the ground of 'Confiscation.'

We shall not again go over that ground. Sufficient may have been said to lead our readers to see for themselves our reasons for rejecting from the reviewer's comparative account, the charge of £15,000,000 for Poor Rates, County Rates, etc.;—to show that these are natural incidents to lands, tenements, and hereditaments, and are recognised as such by the English Constitution, and even by English Laws made by English Landowners; nor does it seem unreasonable that they who have been mainly instrumental in making the destitute poor, should maintain them.

Such are the principal objections of the Edinburgh Reviewer to the 'People's Blue Book,' in his remarks on 'British Taxation,' and such are the answers. How far these are satisfactory answers, our readers will judge for themselves.

It may be proper to notice that these answers to the reviewer, are, for the most part, reprinted from a Pamphlet, by the Author of the 'People's Blue Book,' entitled—"The Reviewer Reviewed: In Answer to the Edinburgh Review on 'British Taxation.'"—2nd Edition, published in 1860, a few weeks after the Review in question; and that this Answer still remains without a word in reply.

We would, however, before we come to a conclusion under this head, invite attention to the great error pervading our present system of taxation, by a few general remarks.

The increase of Indirect Taxation may be said to mark the increase of national wealth; for, in the early stages of society, taxation is necessarily direct; otherwise, it is evident, the increase of national wealth would be less in proportion to the diminished means, after providing for subsistence.

As Capital is something saved from revenue, and employed for the purpose of producing wealth, or with a view to profit, and as the earliest contributions to Capital must be from Wages, it is evident that any tax, direct or indirect, which diminishes wages, or revenue, diminishes, in the same proportion, the means of saving for the purpose of producing wealth, and, consequently, diminishes Capital.

It is equally evident that a tax which enhances the necessaries of life 50 per cent., has the effect of reducing indirectly the value of wages one-half, and of diminishing, to the same extent, the means of saving for the purpose of producing wealth, or capital. Thus, the true test of a people's prosperity is not their wages, but their consumption; and a People's prosperity is the true test of a Nation's prosperity. To lower the consumption of a people is, therefore, to lower the prosperity of a nation; and as the effect of Indirect Taxation is to lower the consumption of the people, it follows, as a necessary consequence, that the effect of indirect taxation is to lower the prosperity of a nation.

It, therefore, remains to be shown on what ground *direct* taxation is more suitable, or less injurious, to a nation in an advanced stage of civilisation, than in an early stage: or why, if taxation be necessarily *direct* in the one case, it is not equally so in the other case.

If it be said—and no other reason is ever heard—that the people would not so easily submit to direct taxation,—that is only an assertion which is contradicted by history.

Until the reign of Charles the First, no systematic attempt was made in England to substitute Indirect for Direct taxation; and when made by that monarch it gave rise to great political agitation.

The mass of Englishmen are better off than the mass of any other people, because they alone, of all the people of the earth, are fed with wheaten bread, meat, and beer. It is, therefore, mainly, that the efficiency of labor in England is so greatly superior to that of any other nation of the earth, and that her wealth is in proportion to that superiority.

How much more efficient that labor would be if left perfectly free from all restrictions and drawbacks, is a question not to be answered by any human calculation. All that can be said is, that the result would be to add greatly to the wealth and strength of the nation, and to the prosperity of the people.

Therefore it is that, the power of taxation depends on the well-being of the people, and that the well-being of the people depends more on the manner of raising, than on the amount raised, by taxes up to a certain amount.

As only one-hundredth part of the whole population has any claim on the nation's debt, it cannot be true to say that the interest on that debt is overwhelming, in regard to the means of providing for it.

It is only overwhelming when placed, as it now is, as a burden on the productive industry of the country.

If placed, as it ought be, on *realised* property, it might, not inappropriately, as a term of comparison, be called, "a flea-bite;" but so to describe it when placed, as it is, chiefly on the productive industry of the country, is

nothing less than an insult to common sense, and a mockery to the people.

To make ninety-nine hundredths of the people bear part in the burden of providing the interest on a debt in which they have no part or claim, is a strong measure; but it may be just if, as owners of other property, they thereby derive any indirect benefit.

But to make people contribute who have no property beyond the wages of their daily labor,—whether by the labor of their muscles, or their brains,—to make these,—by far the largest portion of the people,—the largest contributors, and to tax the stock-in-trade of the country with this burden,—is no less than a violation of justice and an outrage on common sense, for, as already shown, this not only puts the burden on the wrong shoulders, but diminishes their power to bear it, by diminishing the productive powers of the nation; and, by reducing the savings of labor, confines within narrower limits the accumulation of capital.

It is demonstrable, if not already demonstrated by experience, that this system is no less injurious to the owners of property, than it is unjust to those who have no property; in short, that it is a gigantic error, injurious to all, and contrary to the duty, as well as to the interests of the State.

Could the Irish Peasantry be raised even to the present condition of the English, their contribution to the coffers of the United Kingdom would be trebled. But if the condition of the peasantry, and all the artisans and working classes, were raised to what it ought to be, the revenue of the United Kingdom might be expected to be increased fourfold.

This is the picture which the “People’s Blue Book” would present. It is worthy of observation, though it startle many prejudices of long-established habit. It is a radical change, but it is a conservative measure. It is

a change more or less distant, but it is certain to be brought about in time, as a necessary consequence of inevitable events.

It is no change to the injury of any party of the people; no interference with vested rights; no partial legislation for class interests; no innovation on the principles of the British Constitution.

It is simply a return to an old law, renewed in the reign of one of our wisest and greatest kings, who, though a foreigner, was the most patriotic Sovereign who ever guided the destinies of this Nation, and to whom we are, to this day, mainly indebted for all the most precious privileges which, as a Protestant People we now possess.

What, then, is there in this scheme to fear or to complain of; and, of all the People, what class is it that fears or complains?

Let us anticipate the time, and contemplate the end, in all customs and Excise Duties abolished;—all Income Tax, Land Tax, and Assessed Taxes abolished:—all Succession Duties, Legacy and Probate Duties, and all other Stamp Duties (except Postage) abolished; and, in the place of these, one tax of 10 per cent. on the annual value of all Lands, Tenements, and Hereditaments, Money in the Funds, Shares in Public Companies, and all other realised property, as defined.

Assume the required revenue to be 70 millions, sterling, or upwards.

Assume the Population of the United Kingdom to be 30 millions, consisting of 7,500,000 families, and that, under this new state of things, each head of a family is able to save, and lay aside, for investment, on an average of the whole number, only £5 a year. This gives, in the aggregate, an annual saving of £37,500,000, which, in ten years, without adding the annual increase, swells to the sum of £375,000,000.

Imagine this large portion of our circulating medium directed into channels of profitable industry, by the abolition of Customs and Excise, and other duties.

Who that can picture to himself this new state of things, will then regard our present National Debt, or the 70 millions of annual taxation, as an overwhelming evil?

Who will fail to see that he is then enjoying his fair share in the prosperity of the Country—that he is paying then, in the one tax of 10 per cent. on his property, much less than he is paying now, and enjoying much more of all that property can procure?

Who can doubt that the working man will freely pay his yearly personal contribution to the State, for the protection afforded to himself and family, when he finds himself relieved of all the taxes now hidden in his food and clothing?

But to guard the People against the fallacies of the Edinburgh Reviewer, and all such reasoners, we will pursue this part of the subject a little further.

Let us, for the sake of the argument and conclusion, roughly classify the population as follows:—

Agriculture	18,000,000
Manufactures	3,000,000
Mechanics and Artisans.....	3,500,000
Other Classes	5,500,000
Total Population.....	<u>30,000,000</u>

Assuming the whole population to consist of 7,500,000 families, and the average saving of each family, under the new system, to be only £5 a year, this, as before mentioned, gives an accumulated saving of £37,500,000 a year, and, as such, is an addition to the Capital of the Country. This, in ten years, without reckoning the annual increase, amounts to £375,000,000; and this is

in addition to the many millions, sterling, a year, set free by the abolition of Customs and Excise, to flow into more productive channels !

Some will deny that here is an increase of Capital. But, as before remarked, Capital is something saved from revenue, and employed for the purpose of producing wealth, or with a view to profit.

An increase of Capital is, in the first instance, the effect, and not the cause of social improvement. Afterwards they move in a circle, mutually producing, and produced. Hence it is that Capital imported from abroad into a country, can never augment the efficiency of labor so extensively, or so permanently, as Capital generated and accumulated upon the soil itself.

This well deserves the attention of all Land-owners. What a length of time it would take to transfer such a mass of Capital as £375,000,000 from the Continents of Europe and America, and to circulate it through the kingdom !

Taking, of the 7,500,000 families, 5,000,000 of families engaged in Agriculture, and, of these last, assuming the average saving of each family to be only £2 a year, this gives a yearly increase of Capital of £10,000,000, and in ten years, £100,000,000 of increased Capital from the Agricultural Population alone !

Who that reflects on this can be indifferent to the Agricultural interest of the country ? Who can wish to see the Agriculture of the Country sacrificed for any prospective benefits of Trade ?

Benjamin Franklin said that, ‘Agriculture was the only virtuous industry.’ He, probably, did not mean this literally ; but the following, from his ‘Observations on Population, Commerce, etc.’ shows how highly he valued this industry, and is characteristic of his style :—
“There seem to be but three ways for a Nation to acquire wealth. The first is by *war*, as the Romans

did, in plundering their conquered neighbors. This is *robbery*.—The second by *commerce*, which is, generally, *cheating*.—The third by *agriculture*, the only *honest way*; wherein a man receives a real increase of seed thrown into the ground, in a kind of continual miracle wrought by the hand of God in his favor, as a reward for his innocent life, and his virtuous industry.”

The Agriculture of every Country should be its first care, by improving the condition of the Agricultural laborers. In this way the miserable state of Ireland, (especially of our own purely Agricultural districts), should be amended; not, as some imagine, by the importation of English capital, but by an improvement to be wrought in the moral and physical condition of the Irish Peasantry, by a more just and lenient rule than they have hitherto experienced, and by relieving them from the burden of unjust taxation.

It is only when the growing wants and consumption of a People are supplied by self-accumulated Capital, that we may expect to see non-agricultural wealth accompanying a redundancy of agricultural produce.

The wants of a people may be divided into two classes. First, The want of those commodities which are necessary to procure a healthful existence, and which may be called *primary* wants. Secondly, The wish to become possessed of those commodities which are subsidiary to the satisfaction of other desires, and which may be called *secondary* wants.

The foresight which warns mankind of the danger of their not being able to satisfy their primary wants has a limited influence, because the wants themselves are limited; and the influence of prudence ceases when the means are found of satisfying them. It is, fortunately, far different with secondary wants. They are indefinite; at least, we can see no limit to the comforts and luxuries which human beings may consider essential to their

well-being and happiness, and which they will avoid sacrificing by imprudent marriages.

If in the progress of the laboring cultivators of the land, habits of respectability and comfort, and a high rate of maintenance, fail to be established and maintained, the time will come when the unchecked powers of population will trench on their resources, and they will be found as degraded and miserable as communities which started in their career under much less favourable circumstances.

We have before us the wide scene of the nations of the earth earning, by the decree of Heaven, their daily bread by labour, and man is connected with man by ties which grow, and are formed, by their fellowship in the task. Those ties and relations extend from the monarch on the throne, through all the varied divisions of the population of nations, to the laborer at his work.

Out of these physical conditions and moral ties spring the most exalted virtues, public and private, which can adorn or protect society. We must not despise those ties, nor let the physical wants of men, and these, their first social consequences, seem alien to the loftier parts of our nature. As well might we despise the precious brilliant, because it is elaborated in the mine from the lowest earthly elements. England is the only great country which has taken what we have seen to be the first step in advance towards perfection as a producing power; the only country in which the population, agricultural as well as non-agricultural, is ranged under the direction of capitalists, and where the effects of their means, and of the peculiar functions they alone can perform, are extensively felt, not only in the enormous growth of her wealth, but also in all the economical relations and positions of her population.

But England is not, *therefore*, to be taken as a safe

specimen of the career of a people so developing their productive forces. England has not done her good work *through* good laws, or wise counsels, but *in spite of* bad laws, and unwise counsels. Untoward events have dogged the progress of the nation; some connected with faults of legislation and administration; some arising out of circumstances which, perhaps, neither legislators nor administrators could control, and which, perhaps, escaped any timely effort to control them, because the world gave no warning of them, and had afforded no opportunity of learning from experience.

If this suggest many regrets for the past, it still gives better hopes for the future. The errors, and their evils, which have mingled with our institutions, or our habits, may be weeded out—the tares from the wheat; the good influences we have missed may yet be won to purify and protect us; and other nations, if they assume our economical organisation and power, may escape many of the evils which have retarded our progress, and afflicted us, and from which we are suffering now.

If a reasonable and quite attainable development of the moral and intellectual qualities of the body of the people go hand in hand with the changes which accompany the advance of the productive power, there is no reason to look gloomily at the social and political prospects of advancing nations, because it will then be found that a wealthy people, though greater perils and more dangerous responsibilities surround their course, may, if they do justice to their greater opportunities, make advances, in improving the intellect, virtue, and happiness, of the mass of their population, even greater than any which have yet been seen elsewhere.

The foregoing are some general remarks in answer to the Edinburgh Reviewer.

He assumes the equal protection of *person* and *pro-*

perty to be a sufficient ground for the equal taxation of *person* and *property*.

This is a great fallacy—but a very common one.

The way all these illogical minds reason is this—they say:—

“Is not just taxation a debt due to the State for the protection of person and property?”

As nobody denies that, they next ask:—

“Is not *person*, which includes life and industry, at least equal in value to *property*; or, if you were afloat with your property in gold, would you not drop your gold, to keep your mouth above water?”

Now, here is a fallacy of composition. The question of the relative value of life, is not the same as the question whether a man would, or would not, drop his gold into the water to keep his life by swimming. Some men may blow out their brains, or otherwise kill themselves, on a loss of wealth, as if life were of no worth without wealth; and an act of casting away gold to preserve life on the water, may be an instinctive, rather than a rational act. A mother's life is of as much value as a babe's, and yet, from the strength of the motherly feeling, a mother may sink, rather than cast away her child. Therefore, this question contains two sundry questions; and to the first, any one might properly answer—‘Yes:—life and limb are equal in value to property.’

To the other:—‘I do not know.’

Now, mark the progress of the error in the mode of reasoning.

The next question generally is something in this form:—‘Is not, therefore, the taxation due by *persons* at least equal to that due by *property*?’

The answer to this is:—Certainly not, for several reasons.

A man's person is more needful to his being as a

man, than is his property; since he can hold on his worldly being better with a person, and no property, than he can with property, and no person; and on the ground that, what is more needful ought to be less taxed, than what is less needful;—so the person should be less taxed than property. On this principle the Shepherd's most needful dog, and the Farmer's most needful dung-put, and horse, have been less taxed than a dog, or carriage and horse, kept for pleasure.

Again:—the greater the risk of loss of a good, the higher should be the rate of the insurance of it.

That there is greater risk of the loss by thieves, or robbers, of dead wealth, than there is of the loss of life or limb, is shown by fact, and reason. It is shown by the manifold more of such losses of dead wealth, than of life and limb; and it is shown by the commonly received opinion that, it is a man's property, and not his breath, or soul, or limbs, that the thief, or rogue wants.

With both thieves and conquerors, it is wealth which brings the lives of men into peril. A naked Indian Jogee, with no property off or on his body, is in little risk with a robber. "*Cantabit vacuus coram latrone viator.*"

Then again:—A man's dead property cannot withhold itself from the hands of the Son of Evil, but his life and limbs have some chance of preserving themselves; and no comparison can be made between the taxation of a man's life and limbs, and his property, since they cannot be taxed in the same way, *in kind*.

If the law protect a man's wealth, it can pay itself *in kind*, by a share of his wealth; but if it protect his life, and limb, it cannot pay itself *in kind*, by a share of his life; or, like Shylock, by a pound of flesh,—or a tooth, or an eye;—and so, one may fairly object to any comparison at all between the taxation of man's life, and his

property. Thus persons proceed, asking questions, and hearing only their own answers.

“If *Indirect* taxation be, as you say, wholly levied on persons, *i. e.* industry, ought it not, in justice, at least, to equal the *Direct* taxation on property?”

Now, in this question is slipped in the *abstract*, industry, for the *concrete*, persons:—“persons, *i. e.* industry.”

This is the sort of fallacy into which the *questioner* generally falls, and to which the *questioned* generally yields in silence. Why,—a man’s industry is no more his person, than his fiddling, or his dancing, is his person!

In this way many persons reason on this subject, and the same error, in disguise, may be discovered in the reasoning of our critical *cousin* of the ‘Edinburgh.’

WAGES.

It is a common objection that, the abolition of all Customs and Excise Duties, by cheapening the price of the necessaries of life, would lower the wages of labor.

This objection assumes that the rate of wages depends on the price of provisions,—a common, but very great error.

We know, from experience, that the rate of wages does not fluctuate with the price of provisions, and that the variations in the price of labor not only do not correspond, either in place or time, with those in the price of provisions, but are frequently quite opposite.

In times and places where the price of provisions is the highest, the rate of wages is generally the lowest. This is a matter of fact, which cannot be disputed. The proof of it is, if possible, still more decisive with regard to Scotland and Ireland, than to England.

But, though the variations in the price of labor not

only do not always correspond with those in the price of provisions, and are frequently quite opposite, we must not, therefore, imagine that the price of provisions has no influence upon that of labor.

The wages for labor are necessarily regulated by two circumstances:—the demand of labor; and the price of the necessities and conveniences of life.

The mere workman, who depends only on his hands and industry, has nothing but such part of his labor as he is able to dispose of to others. He sells it at a cheaper or dearer price; but this high or low price does not depend on himself alone; it results from the agreement he has made with the person who employs him. The latter pays him as little as he can help, and as he has the choice from among a great number of workmen, he prefers the person who works cheapest. The workmen are, therefore, obliged to lower their price in opposition to each other. In every species of labor it must, and, in effect, it does happen, that the wages of the workman is confined merely to what is necessary to procure him a subsistence.

But the situation of the agricultural laborer is materially different from that of all other laborers. The soil,—independent of any man, or of any agreement,—pays him immediately the price of his toil. Nature does not bargain with him, or compel him to content himself with what is absolutely necessary. What she grants is neither limited to his wants, nor to a conditional valuation of the price of his day's work. It is a physical consequence of the fertility of the soil, and of justice, rather than of the difficulty of the means, which he has employed to render the soil fruitful. It is "the gratuitous service of nature."

As soon as the labor of the husbandman produces more than sufficient for his necessities, he can, with the excess which nature affords him by the *gratuitous* ser-

vice beyond the wages of his toil, purchase the labor of others. They, in selling to him, procure only a livelihood ; but the original laborer, or husbandman, besides his subsistence, collects an independent wealth at his disposal, called capital, which he has not purchased, but which he can sell. He is, therefore, the only source of all those riches which, by their circulation, animate the labors of society ; because he is the only one whose labor produces more than the wages of his toil.

Here, then, is the whole society divided, by a necessity founded on the nature of things into two classes, both industrious, one of which, by its labor, produces, or rather draws from the earth, riches continually renewing, which supply the whole society with subsistence, and with materials for all its wants ; while the other, employed in giving to those materials such preparations and forms as render them proper for the use of man, sells his labor to the first, and receives in return a subsistence. The first may be called the *productive*, the latter the *stipendiary* class.

But here we have not distinguished the husbandman from the proprietor of the land ; and in the first origin they were not, in fact, so distinguished. It is by the labor of those who first cultivated the fields, and inclosed them to secure their harvest, that all land has ceased to be common, and that a property in the soil has been established. Until societies had been formed, and until the public strength, or the laws, becoming superior to the force of individuals, had been able to guarantee to every one the tranquil possession of his property, against all invasion from without, the property in a field could only be secured as it had been acquired, by continuing to cultivate it ; the proprietor could not be assured of having his field cultivated by the help of another ; and that person taking all the trouble, could not easily have comprehended that the whole harvest did not belong to

him. On the other hand, in the early age, when every industrious man could find as much land as he wanted, he would not be tempted to labour for another. It necessarily follows, that every proprietor must cultivate his own field, or abandon it entirely.

But the land began to be peopled, and to be cleared more and more. The best lands in process of time became fully occupied. There remained only for those who came last, nothing but barren land, rejected by the first occupants. But at last, every spot found a master, and those who could not gain a property therein, had no other resource than to exchange the labor of their hands in some of the employments of the *stipendiary* class, for the excess of commodities possessed by the cultivating proprietor.

Meantime, the earth produces to the proprietor who cultivates it, not a subsistence only, not only wherewith to procure himself by way of exchange, what he otherwise wants, but also a considerable superfluity, to pay other men to cultivate his land. For amongst those who live by wages, as many are content to labor in this employment, as in any other. The proprietor, therefore, might then be eased of the labor of culture, and he soon was so.

Then came the demand for labor,—first in the *productive* class, and when that was supplied, then in the *stipendiary* class,—but in both classes alike for the means of subsistence.

Some of these latter remarks are partly translated from the French, entitled,—“Reflections on the Formation and Distribution of Wealth,” by M. Turgot, then Comptroller General of the Finances of France; and, as said by Condorcet, in his life of Turgot;—“This Essay may be considered as the germ of the treatise on ‘The Wealth of Nations,’ written by the celebrated Smith.”

Thus arose the demand for labor, and thus, we may

see, the demand—for labor,—according as it happens to be increasing, stationary, or declining, or to require an increasing, stationary, or declining, population,—determines the quantity of the necessaries and conveniences of life which must be given to the laborer; and the money price of labor is determined by what is requisite for purchasing that quantity. Though the money price of labor, therefore, is sometimes high, where the price of provisions is low, it would be still higher,—the demand continuing the same—if the price of provisions were high. It is because the demand for labor increases in years of sudden and extraordinary plenty, and diminishes in those of sudden and extraordinary scarcity, that the money price of labour sometimes rises in the one, and sinks in the other. In a year of sudden and extraordinary plenty, there are funds in the hands of many of the employers of industry, sufficient to maintain and employ a greater number of industrious people, than had been employed the year before, and this extraordinary number cannot always be had. Those masters, therefore, who want more workmen, bid against one another, in order to get them, which sometimes raises both the real and the money price of labor. The contrary of this happens in a year of sudden and extraordinary scarcity. The funds destined for employing industry are less than they had been the year before. A considerable number of people are thrown out of employment, who bid one against another in order to get it, which sometimes lowers both the real and the money price of labor. The scarcity of a dear year, by diminishing the demand for labor, tends to lower its price, as the high price of provisions tends to raise it. The plenty of a cheap year, on the contrary, by increasing the demand, tends to raise the price of labor, as the cheapness of provisions tends to lower it. In the ordinary variations of the price of provisions, these two

opposite causes seem to counterbalance one another, which is, probably, in part the reason why the wages of labor are everywhere so much more steady and permanent than the price of provisions.

Lord Chief Justice Hales, who wrote in the time of Charles the Second, and who appears to have inquired very carefully into the subject, computes the necessary expense of a laborer's family,—consisting of six persons, the father and mother, two children able to do something, and two children not able,—at ten shillings a week, or twenty-six pounds a year. If they cannot earn this by their labor, they must make it up, he supposes, either by begging or stealing.

The price of labor, perhaps, cannot be ascertained very accurately anywhere, different prices being often paid at the same place, and for the same sort of labor, not only according to the different abilities of the workmen, but according to the easiness or hardness of the masters. But it is very doubtful whether the money price of labour, in the purely agricultural districts, has increased since Lord Chief Justice Hales so wrote, in the time of Charles the Second.

In many of the purely Agricultural Counties at the present day, such as Dorsetshire, and many parts of Somersetshire, for instance, laborers' wages do not exceed, and are often below, ten shillings a week. But the real recompence of labor—the real quantity of the necessaries and conveniences of life—has, perhaps, increased from the latter end of the last, and in the present, century.

The necessaries and conveniences of life have been produced in greater quantities, and have become cheaper; and the great improvements in the manufactures of linen, cotton, and woollen, cloth, furnish the laborer with cheaper and better clothing; and, in the manufactures of the coarser metals, with cheaper and better instru-

ments of trade, as well as with many agreeable and convenient pieces of household furniture.

These, however, have met with a heavy counterbalance in the increased taxes which have been laid upon them; and many of these articles which were formerly luxuries confined to the rich, have now extended so much, even to the lowest ranks of the people, as to have become to them by habit, part of the necessities and conveniences of life. Taking these into consideration, and the fact that the price of almost every article of food and clothing is now greatly increased by taxation, and, in many cases, so greatly increased as to be almost prohibitory to the poor, it becomes doubtful whether, on the whole, the actual condition of the laborer has been improved within the last 200 years. Mr. Hallam, whose accuracy as an historian is generally admitted, has said :—"I should find it difficult to resist the conclusion that, however the laborer has derived benefit from the cheapness of manufactured commodities, and from many inventions of common utility, he is much inferior in ability to support a family, to his ancestors three or four centuries ago."

Now, as servants, laborers, and workmen of different kinds, make up the far greater part of every political society, what improves the condition of the greater part, can never be a matter of indifference to the whole.

No society can be really flourishing and happy, of which the far greater part of the members are poor and miserable. Besides, it is but common justice that they who feed, clothe, and lodge, the whole body of the people, should have such a share of the produce of their own labour as to be themselves tolerably well fed, clothed, and lodged.

Every species of animal naturally multiplies in proportion to the means of its subsistence, and no species can ever multiply beyond it. But, in civilised society,

it is only among the inferior ranks of the people that the scantiness of subsistence can set limits to the further multiplication of the human species; and it can do so in no other way than by destroying a great part of their children; for poverty, though it does not prevent the generation, is extremely unfavourable to the rearing of children. The liberal reward of labor, by enabling them to provide better for their children, and consequently, to bring up a greater number, naturally tends to widen and extend the limits, and it necessarily does this as nearly as possible in the proportion which the demand for labor requires. If this demand be continually increasing, the reward of labor must necessarily encourage in such a manner, the marriage and multiplication of laborers, as may enable them to supply that continually increasing demand, by a continually increasing population.

If the reward should be, at any time, less than what is requisite for this purpose, the deficiency of hands would soon raise it; and if it should be, at any time, more, their excessive multiplication would soon lower it to this necessary rate. The market would be so much under-stocked with labor in the one case, and so much over-stocked in the other, as would soon force back its price to that proper rate which the circumstances of the society required. It is in this manner that the demand for men, like that for any commodity, necessarily regulates the production of men, quickens it when it goes on too slowly, and stops it when it advances too fast. It is this demand which regulates and determines the state of propagation in all the different countries of the world; which renders it rapidly progressive in the first; slow and gradual in the second; and altogether stationary in the last. The liberal reward of labor, therefore, as it is the effect of increasing wealth, so it is the cause of increasing population. To complain of it is to lament over the necessary effect and cause of the greatest public prosperity.

It is, perhaps, in the progressive state, while the society is advancing to the further acquisition, rather than when it has acquired its full complement, of riches, that the condition of the laboring poor, of the great body of the people, seems to be the happiest and the most comfortable. It is hard in the stationary, and miserable in the declining state. The progressive state is, in reality, the cheerful and the hearty state to all the different orders of the society. The stationary is dull; the declining melancholy. This observation seems equally applicable to individuals. The man who is progressively improving his means is cheerful; he who is stationary in his income is generally dull; he whose income is declining melancholy.

The liberal reward of labor, as it encourages the propagation, so it increases the industry of the common people. The wages of labor are the encouragement of industry, which, like every other human quality, improves in proportion to the encouragement it receives. A plentiful subsistence increases the bodily strength of the laborer, and the comfortable hope of bettering his condition and of ending his days, perhaps, in ease and plenty, animates him to exert that strength to the utmost. Where wages are high, accordingly, we shall always find the workmen more active, diligent, and expeditious, than where they are low; in England for example, than in Scotland and Ireland; in the neighborhood of great towns, than in remote country places.

It will, therefore, be seen that, *the rate of wages depends on the supply and demand; or on the proportion between population and employment*,—in other words, CAPITAL.

If there be a quantity of capital for the employment of 100 labourers, and there be 150 seeking employment, there will be 50 in danger of being left out of employment. To prevent this they must endeavour to supplant those who have forestaled the employment; that is,

they must offer to work for a smaller reward. Wages, therefore, decline. If, on the other hand, the quantity of capital has increased, while the number of laborers remains the same, the effect will be reversed. The capitalists have a greater quantity, than before, of the means of employment,—of capital from which they wish to derive advantage. To derive this advantage they must have more laborers than before. These laborers are all employed with other masters; to obtain them they also have but one resource—to offer higher wages. But the masters, by whom the laborers are now employed, are in the same predicament, and will, of course, offer higher still to induce them to remain. This competition is unavoidable, and the necessary effect is, a rise of wages.

It thus appears that, if population increase, without increase of capital, wages fall; and that, if capital increase, without increase of population, wages rise.

It is evident also that, if both increase, but one faster than the other, the effect will be the same as if the one had not increased at all, and the other had made no increase equal to the difference.

Suppose, for example, that population had increased one-eighth, and capital one-eighth;—this is the same thing as if they had stood still with regard to the effect upon labor. But suppose that, in addition to the above-mentioned one-eighth, population had increased another eighth; the effect in that case upon wages would be the same as if capital had not increased at all, and population had increased one-eighth.

Universally, then, it may be affirmed, other things remaining the same, that if the ratio which capital and population bear to one another remain the same, wages will remain the same; if the ratio which capital bears to population increase, wages will rise; if the ratio which population bears to capital increase, wages will fall. From this law, clearly understood, it is easy to trace

the circumstances which, in any country, determine the condition of the great body of the people. If that condition be easy and comfortable, all that is necessary to keep it so is, to make capital increase as fast as population; or, on the other hand, to prevent population from increasing faster than capital. If that condition be not easy and comfortable, it can only be made so by one of two methods; either by quickening the rate at which capital increases; or, retarding the rate at which population increases;—augmenting, in short, the ratio which the means of employing the people bear to the number of people.

If it were the natural tendency of capital to increase faster than population, there would be no difficulty in preserving a prosperous condition of the people.

If, on the other hand, it were the natural tendency of population to increase faster than capital, the difficulty would be very great. There would be a perpetual tendency in wages to fall. The fall of wages would produce a greater and a greater degree of poverty among the people, attended with its inevitable consequences, misery and vice. As poverty and its consequent misery increased, mortality would also increase. Of a numerous family born, a certain number only would, from want of the means of well-being, be reared. By whatever proportion the population tended to increase faster than capital, such a proportion of those who were born would die; the ratio of increase in capital and population would thence remain the same, and wages would cease to fall.

That population has a tendency to increase faster than capital has in most places actually increased, is proved incontestably by the condition of the population in almost all parts of the globe. In almost all countries, the condition of the great body of the people is poor and miserable. This would be an impossibility, if capital had increased faster than population. In that case, wages of necessity would have risen, and would have

placed the labourer in a state of affluence, far above the miseries of want. This general misery of mankind is a fact which can be accounted for upon one only of two suppositions: either that there is a natural tendency in population to increase faster than capital; or, that capital has by some means been prevented from increasing so fast as it has a tendency to increase.

That population has such a tendency to increase as would enable it to double itself in a small number of years, is a proposition resting on the strongest evidence, which nothing that deserves the name of evidence has been brought to oppose. With respect to the tendency which capital may have to increase, if that should increase as fast as population, for every laborer produced, the means of employment and subsistence would also be produced, and no degradation of the great body of the people would ensue.

As soon as it is understood from what source all increase of capital has been derived, the opinion of its rapid increase can no longer be retained. All increase of capital is derived from savings. This is a proposition which excludes all exception. The evidence, too, is so clear as hardly to require a statement. All capital is, of course, the result of production. Capital is a part of the annual produce of the land and labor of the country gradually accumulated. But if any part of the annual produce be set apart to be employed as capital, the owner must abstain from consuming it. What is destroyed cannot be capital. All capital, therefore, is made out of that part of the annual produce which, instead of being devoted to consumption and enjoyment, is saved.

Now, though it be found that, where property is secure, there is a considerable disposition in mankind to save,—sufficient where vast sources of consumption are not opened by the government, and where the difficulties of production are not very great, to make capital

progressive,—this disposition is still so weak in almost all the situations in which human beings have ever been placed, as to make the progression slow. That the same will continue to be the case, appears to be secured by the strongest principles of human nature.

It thus appears that there is a tendency in population to increase faster than capital, or the means of subsistence. If this be established it is of no consequence to the present purpose to inquire about the rapidity of the increase. How slow soever the increase of population, provided that of capital be still slower, wages will be reduced so low that, a portion of the population will regularly die from the consequences of want. Neither can this dreadful consequence be otherwise averted, than by finding means to prevent the increase of capital from falling short of that of population.

Such are the views of Adam Smith, and of that sound political economist, the late James Mill, in whose works these views and opinions will be found more fully entered into.

From this it will be seen, that if legislation, by ill-directed measures of taxation, or otherwise, reduce the available amount of capital, or restrict its profitable employment, the effect must be to lower the rate of wages, and to increase pauperism throughout the country. On the other hand, it is clear that, if the legislature take, for the necessities of the State, equally from the produce of all the *realised* property of the country, the capital remains untouched, and available for the profitable employment of more laborers. Thus capital goes on increasing, and employs more labor, the effect of which must be, to increase the demand for labor, and thereby the rate of wages, and the general prosperity of all classes in the country. The increase in the number of laborers, and in the rate of wages, must cause increased demand for, and consumption of, all

commodities, and the home trade,—always the most profitable,—must go on increasing in the same proportion.

Thus, it will be seen, by leaving the laborers in possession of their wages undiminished by deductions for taxes on any of the necessities or conveniences of life, they become not only greater producers, but also better customers: and that, just as they are prosperous, or otherwise, in the same proportion are the agriculture, trade, and manufactures, of the country in a state of prosperity, or depression.

It is thus apparent that the price of the necessities and conveniences of life can never regulate the rate of wages; and that the tendency of a low price of provisions is to raise the rate of wages, by increasing the demand for labor. It is, therefore, evident that, the demand for those who live by wages, can increase only in proportion to the increase of the funds which are destined to the payment of wages.

These funds are of two kinds: first, the revenue which is over and above what is necessary for maintenance; and, secondly, the stock, or capital, which is over and above what is necessary for the employment of the masters. Increase this surplus, and you increase the fund for the employment of labor.

Out of this fund, the landlord, annuitant, or moneyed man, maintains one or more menial servants. Out of this fund the independent workman employs one or more journeymen, in order to make a further profit by their work. The demand for those who live by wages, therefore, necessarily increases with the increase of the revenue and stock, or capital, of every country, and cannot possibly increase without it. The increase of revenue and capital is the increase of national wealth. The demand for those who live by wages, therefore, naturally increases with the increase of national wealth, and cannot possibly increase without it.

It is not the actual greatness of national wealth, but its continued increase, which occasions a rise in the wages of labor, by keeping up a continued and increasing demand. It is not, accordingly in the richest countries, but in the most thriving, or in those which are growing rich the fastest, that the wages of labour are the highest. England is, certainly, at present, a much richer country than any part of the United States, or Canada, or Australia.

The wages of labor, however, are much higher in those countries than in any part of England, though, in England, the prices of provisions, and other necessities of life, are higher. If the money price of labor, therefore, be higher in those countries than it is anywhere in the mother country, the real price,—the real command of the necessities of life which it conveys to the laborer,—must be higher in a still greater proportion. But though those countries are not yet so rich as England, they are much more thriving, and are advancing with much greater rapidity to the further acquisition of riches. The evidence of this is in the rapid increase of population; for, the most decisive mark of the prosperity of any country is, the increase of the number of its inhabitants.

Though the wealth of a country should be very great, yet, if it had been long stationary, we must not expect to find the wages of labor very high in it. The funds destined for the payment of wages may be very great, but if they have continued for a century the same, or very nearly the same, the number of laborers employed every year could easily supply, and even more than supply, the number wanted the following year. There could seldom be any scarcity of hands, nor could the masters be obliged to bid against one another in order to get them. The hands on the contrary would, in this case, naturally multiply beyond their employment.

There would be a constant scarcity of employment, and the laborers would be obliged to bid against one another. Such has long been the case in the United Kingdom. Now, the only possible remedy for this evil,—and the evil is very great in its consequences,—is either by increasing the fund for the employment of laborers, or removing the excess. As the producers of wealth, it is clearly better to keep them, than to part with them, if they can be profitably employed.

The first question should, therefore, be—how to keep them, by finding profitable employment for them. This can only be by continually increasing the surplus fund out of which alone they can be paid, and thereby continually increasing the capital of the country. The liberal reward of labor, as it is the necessary effect, so it is the natural symptom of increasing national wealth. The scanty maintenance of the laboring poor, on the other hand, is the natural symptom that things are at a stand; and their starving condition, that they are going fast backwards.

If the wages of labor were sufficient to supply the laborers with all the necessities of life, and with a reasonable share of its conveniences, they would be better able than they now are to provide for the education of their children, and to conduct themselves, and bring up their families, with more regard than they can now show to the decencies of life; and thus we might hope, by an improved race, to cut off the continual supply to our Unions, Reformatories, and Gaols, from that ever-flowing source,—Pauperism. All this might be effected by simply leaving the laborers in the full and free possession and enjoyment of the wages of their labor, undiminished by taxation; and their increased and constantly increasing consumption of all the staple commodities, would make them the largest, the safest, and most profitable customers of the manu-

facturers and traders, as well as the provision-growers, of the country ; thus showing that the well-being of all classes is most conducive to the wealth and prosperity of every country ; and that the degradation of the working-classes is the surest sign of a declining country, and is, moreover, its greatest disgrace.

It seems to be a waste of words to prove that, cheapening the necessities and conveniences of life gives employment to additional capital and labor. And, yet, this is the question in dispute !

If additional capital be employed, additional labor must be required to make that capital productive. Nor is this less true in those employments where machinery is substituted for human labor, for the cheapness of the articles so produced enlarges and extends the general market, and, consequently, enlarges and extends the demand for human labour in an infinite variety of other channels.

If profits on manufacturers' capital be necessary for production, no less necessary are mercantile profits for the distribution of what is produced. This desired end is effected by the competition in the market.

It is this competition which is our best security against scarcity and famine. High prices check consumption, and thus enable the stock of food to last longer than it otherwise would. Nor is this all. The high price also stimulates merchants to use every exertion to obtain supplies from abroad, by which the want will be alleviated. This enables the food to be brought from greater distances than the ordinary price would remunerate, and allows unusual expenses to be incurred by the importers in many other ways.

Thus, Free Trade, or competition, is our best protection against famine, or scarcity ; but nobody pretends that Free Trade, or competition, will remove all human evils, or those evils which arise from personal

vice or imprudence, or from unjust political institutions, or from the various calamities of life, nearly all of which, if not all, arise from human negligence. To prevent misery, all parts of the social system must be in perfection, and not the market only.

But with Free Trade, and competition, it may be safely assumed that, there will be such a distribution of all productions, natural and artificial (not being perishable), that the prices will be pretty nearly equalised throughout the markets of the world, with the addition only of the cost of transport; and if the cost of production be dependent, (as it always must be in a great measure) on the price of labor, it may also be safely assumed that those nations which possess the greatest local advantages, will have the best chance in the struggle of competition, as long as they retain those natural advantages unimpaired by unjust political institutions, or by personal vices, or imprudence.

But if, by unjust restrictive laws, or by taxes on the necessaries and conveniences of life, or by personal vice, or imprudence, that natural equalisation of prices be disturbed, then the natural advantages are impaired; and the injustice and improvidence of the nation impede and counteract the natural or providential law, to the injury of itself chiefly, but not altogether without injury to other nations, so intimately are all allied for their mutual interests.

If by taxes on articles of general consumption, or convenience, the condition of the laborer be so depressed that he is driven to seek better means of subsistence in another country, the country, which so loses its laborers, loses so much of its strength, and chief source of wealth; and with all its natural and local advantages, may still be unable to compete with other countries, even in those productions over which its natural and local advantages peculiarly extend. To

diminish those natural advantages must be the effect of all taxes on food; because, in proportion to that artificial increase in the price of the necessities and conveniences of life, is diminished the power of successful competition.

Trade and manufactures, instead of increasing with the price of food, diminish, and may be entirely stopped by the high price of food. Wages then fall, and may cease altogether. It is, therefore, self-evident that, the lower the price of food (and it can never long continue at a price lower than is remunerative to the producer) the greater is the power for successful competition in the general market, and the greater is the individual and national prosperity of that country.

The converse may also be taken as an axiom:—That in a country where the prices of the necessities and conveniences of life are so high as to be obtained with difficulty by the working classes, agriculture, trade, and manufactures, are always languishing, wages are low in proportion, and the people are sinking into misery and vice.

In that state of things, capital is hoarded, or transferred to another country, where the outlay, or investment, is more encouraged, and then, an increasing population, instead of being a blessing, is the greatest affliction: so great that it becomes, at last, unbearable, as in Scotland, and Ireland, and finds relief only in periodical emigration, or famine.

But, on the contrary, where the necessities and conveniences of life are abundant, and the profits on capital are remunerative, then capital is expended and increased, and, the demand for labor increasing in proportion, the rate of wages rises, and the nation thrives apace with the increase of population. This is a truth which admits of no exception.

Thus, it may be seen that, although the Malthusian doctrine of the tendency of population to increase be-

yond the means of subsistence, is quite true in the abstract, yet, taken practically, and applied to a moral and industrious people, under good laws well administered, it is quite false; and, were it otherwise, it would be impossible to reconcile the natural law with any notions of wisdom and justice, which our reason enables us to form. But though the admission of this doctrine in the abstract, as taken and applied by Malthus, impugns the Divine wisdom and justice, yet, taken and applied with this qualification, it may be seen to be another manifestation of the Divine wisdom, and justice, and mercy, and a means of enforcing the Divine command, that men shall live by labor.

Now, as labor, in a civilised state of society, can only be employed by capital, or accumulated savings, and as that employment can only be continued by profits, it is obvious that, as long as profits continue to be derived, capital must continue to increase in proportion, equal, or greater, to the increase of population; and whilst that continues, population can never increase beyond the means of subsistence.

If this be true, it must follow that, when large masses of people remove themselves from their native country for the purpose of seeking elsewhere the means of subsistence, this is the result of the natural sterility of their native soil; or, of their own personal vice, or improvidence; or, want of industry, and skill, with economy; or, it is the result of cruel and unjust laws,—to escape from which is the last effort, and the only effectual remedy. Therefore, Emigration is the open door for escape from tyranny, and oppression. The magnitude of the evil is shown by the necessity for escape; and so great is the sacrifice that, Emigration is always the last sacrifice made to save life, or to obtain the comforts of life, or something even dearer.

Love of adventure, and ardent hope, no doubt, often

lead the youthful and strong to seek their fortunes in new countries; but emigrant families generally quit their native land in a state of misery bordering on despair. To them it is the only door left open for their escape from the wickedness and cruelty of their fellow-men. It is the door *kept open* by Divine Mercy, against all the efforts of grasping and oppressive Governments to close it. They have done all they dared to close even that door, against the misery which their own wicked and cruel laws have made, and have desisted at last, only from the fear of losing, not the people whom they have driven away, but the distant Colony to which the people are driven.

What hope is there from such Governments, deaf to the claims of justice and policy, and accessible only to the dictates of fear? When will the People learn the true principles, and acquire the rightful privilege of self-government? It is truly surprising that men, called Statesmen,—to whom is entrusted the solemn responsibility of watching over the temporal welfare of the millions of human beings which compose this great nation,—should be capable of advocating, in the deliberative assembly of the people, such absurdities as are uttered in their speeches!

If property were made *directly* chargeable with the burdens of the State, so that the people might know precisely in what proportion they were contributing, and so that their contributions went *directly* to the purposes for which they were avowedly, and intentionally made,—capital would be driven out of the country! Surprising, and incredible, as it may seem, yet this is what these men, called Statesmen, really say. But the arguments they use to support this assertion, create the strongest doubt that they really believe what they say; and, indeed, it is difficult to imagine that they can be so stupid. And what is their chief reason for continuing

the present oppressive and injurious system of taxation? Simply this—and, simply enough, they avow this!—that the working classes,—if they knew how unequally large is the portion of the burden they are bearing,—would no longer bear it!

It is impossible, in the existing state of things, that profits should be otherwise than low, or that the average and ordinary rate of wages should be such as to afford the laboring classes the means of commanding a fair supply of the necessaries and conveniences of life. The increase of taxation may have been unavoidable, but however urgent the necessity for its increase, and however much it may have stimulated industry and skill, it has become a heavy burden on the productive capacities of the nation, and must, in the end, occasion the most serious results, if unattended with corresponding increase in the profits from agriculture, trade and manufactures; nor is it possible to foresee the extent of misery and vice which must ensue from their decline. These tremendous evils can be averted only by reducing the weight of taxation, and relieving the pressure on the national resources. It is hopeless to expect that this can be done by means of reductions in the public expenditure. Some savings may, and ought to be, effected in all the departments of the State; but, so long as adequate provision is made for the security and good government of all the different departments in this extensive empire, there is no reasonable ground for supposing that the public expenditure can be very sensibly reduced by any such retrenchments. The utmost saving from such retrenchments would be quite insignificant, as already shown, in comparison with the saving which would be effected by the abandonment of the present system of taxation, with all its cumbrous and expensive machinery,—and the adoption of the simple and inexpensive system of *direct* taxation here proposed. And

this is the more necessary, because, under the existing system, the expenditure must increase with the increase of population. At all events, it is nothing but self-delusion, to look to saving alone, as any resource against the internal evils with which this country is threatened.

But if the great, and yet scarcely known, resources of this country be set free, and if the people be freely permitted to make them available to their fullest extent, though Government may not be able directly to reduce the amount of the burden, yet the effect will be to increase the people's ability to bear it.

It is impossible to doubt that the productive powers of this country would be immensely augmented, and the pressure upon the industrious classes most materially diminished, by allowing them to purchase and bring home the necessaries and comforts of life at the lowest cost, and more abundantly, from all the markets of the world, by removing all duties, and leaving the laborer in full possession of the fruits of his own labor.

It is impossible to doubt that, in such a state of things as this, the rate of wages generally throughout the country would be raised, and that the purchasing power of the wages would be still more raised.

That improvement in the temporal and moral condition of the laboring part of the population has not kept pace with the progress of this nation in greatness of power, and wealth of capital, but, on the contrary, has deteriorated, and is deteriorating,—is a fact which many may not like to admit, but which, nevertheless, cannot be denied, being too clearly proved.

That for the last thirty years misery and vice have gone on together visibly increasing in proportion with the increase of population, especially among the laboring classes, and are still increasing, even far beyond the proportion, is a fact equally clear, and proved, if any

faith is to be placed in parliamentary and statistical documents; and it is but too certain that their comforts and enjoyments have not increased in anything like the same proportion as those of the classes above them, but, on the contrary, have diminished very far below them.

Now, inasmuch as the laboring classes constitute the great majority of the whole population, their moral and temporal condition is of the utmost importance, not only in regard to their own well-being, but also in regard to that of the other classes which altogether constitute the nation. The poverty and depressed condition of any very large class, especially if it be contrasted with vast wealth, extravagance, and luxury, on the part of others, is a most undesirable state of things, and can hardly fail to produce discontent, sedition, and disturbances of all kinds. Lord Bacon has said that,—“of all rebellions, those of the belly are the worst,”—and he has added:—“The first remedy, or prevention, is to remove, by all means possible, that material cause of sedition of which we speak, which is want, or poverty in the Estate.”

All history proves that men, long debarred from civil rights, almost always become ill-fitted to enjoy them. The brutalising effects of oppression, which cannot immediately be done away by its removal, at once furnish a pretext for justifying it, and make relief hasardous. Kind and liberal treatment, if cautiously and judiciously bestowed, will *gradually* and slowly advance men towards the condition of being worthy of such treatment; but treat men as aliens, or enemies,—as slaves, as children, or as brutes,—and they will *speedily* and completely justify your conduct.

But though the same disastrous consequences may be expected to follow from neglect of the temporal and spiritual wants of the people, yet the neglect of both

these wants does not work in the same way. The more that is done to provide for the spiritual wants of the people, the more likely they will be to make such provision for themselves; and the more they are neglected, the less likely are they to do it. It is, as remarked by Archbishop Whately, the peculiar nature of the inestimable treasure of Christian truth, and religious knowledge, that the more it is withheld from people, the less they wish for it; and the more it is bestowed upon them, the more they hunger and thirst after it. If people be kept upon a short allowance of food, they are eager to obtain it; if you keep a man thirsty, he will become more and more thirsty; if he be poor, he is exceedingly anxious to become rich; but if he be left in a state of spiritual destitution, after a time he will, and still more his children, cease to feel it, and cease to care about it. It is the last want men can be trusted (in the first instance) to supply for themselves. But it is one which admits of no substitute, and unless this be provided for, all other wants supplied will be inefficient for securing temporal welfare, for individuals, or a nation.

No one can doubt that it is the bounden duty of the legislature to adopt every safe and practicable measure for eradicating, or counteracting, as far as possible, the causes of poverty and vice from among the mass of the people, and for increasing, as far as possible, their comforts and enjoyments.

Now, of these causes, none seem to be so prolific of guilt and wretchedness, as the present system of taxation, which practically deprives the laborer of more than half the wages of his labor, in purchasing power, besides lowering the general rate of wages, by diminishing the profits of the employer, and thereby diminishing the demand for labor.

To improve the condition of the laboring classes must

be the most effectual means of strengthening and perpetuating the institutions of a country.

In this country of excessive population in proportion to its fixed and narrow limits of land, the laboring classes must look mainly to trade for employment; and though trade does not produce capital, yet trade produces the means of profitable employment for labor, and the accumulated savings from the produce of that labor increase the capital.

But as all labor is a continued effort, opposed to the natural disposition for ease, never pursued for pleasure, and always more or less attended with pain,—to make the reward for labor an adequate compensation for the pain, and to secure to the laborers the full produce of their own labor, is no less the sound policy, than the first duty of every government.

Unfortunately for the progress of improvement in the moral and physical condition of mankind, the few who *think*, are apt to think more for themselves than for others, and many of the most serious affairs of life, like the light and trivial pursuits of pleasure, are left to the chance guidance of fancies, rather than directed by principles derived from experience, or careful deductions from sound reasoning. The hard penalty of such proceedings must be paid, and wise and merciful is that appointment, for without it nations and people would never mend their ways. Their ways never can be mended but by raising their social position, and for that little or nothing is done, or even attempted. The remedy—the only remedy—is moral, not legislative. Good laws, which administer equal justice to all, are essential for good social position; but intellectual improvement comes through good teaching, and training. A prosperous and happy state is conducive to that end, but a good social position is completed by moral and intellectual improvement.

As Dr. Channing has said :—"The true school of human nature is the sphere opened to its faculties and affections in our conditions in daily life. A state of society furnishing to all its members a field of action for the mind and heart, gives the only true education ; and is this to be looked for anywhere in outward institutions ? Is it not to be found chiefly in the spirit of Christianity, spread through a community, leading its members to a love and reverence of human nature, and to a regard to human excellence in their arrangements for property, etc. ? A spirit of self-sacrifice for common good must be made powerful in the most intelligent and influential. To improve men must be a chief consideration in employing them ; and the good of the laborer must be regarded as well as the profit to be drawn from his toil. So long as this is thought romantic, society can have no bright prospect of permanent progress. A society is advanced in proportion as human nature is respected. It is the misery of the present state that man, *as man*, is counted of so little worth. It is man clothed in purple, dressed in a little brief authority, high-born, rich, etc., who is now considered as deserving power. A just estimate of human nature, of its purposes, powers, destiny, leading to general courtesy, respect, and effort for the advancement of this nature, in each, and all—this is the measure of the progress of society. The existence of a large class, cut off from the rest of the community, trained up to ignorance and vice, gross in manners, and in no other degree acted upon by other classes, and respected only by brute force, is a sad feature of civilized society. The true organisation of society is that in which all improvements of the higher, are communicated to the lower classes, and in which intellect and virtue descend, and are diffused. And will any thing but Christianity, moulding anew the whole spirit of the higher classes, bring about this end ?

There must be a body of enlightened, studious men. Let not these form a party, a faction, but consider their light as a good given to be diffused, and a means to maintain an improving intercourse among all orders. So there will be rich men; but the rich, instead of herding together, and linking themselves to one another by common pleasures, privileges, refinements, ought to regard prosperity *as a trust for the good of those who are in want*. Let there be no literary class, no class of rich. The learned when forming a distinct class, become jealous, exacting, domineering, and seek to maintain their sway, even at the expense of truth. Scholars already begin to find the benefit of quitting their pedantic cells, and mingling with general society; but still they associate too much with the rich and refined,—still they seek honor and power. Their high honor of being lights to society is overlooked. How the rich injure themselves by a clannish spirit, corrupting one another by rivalry in show and expense! Christianity breaks down all these walls of division between man and man.”

Such were the opinions of Dr. Channing, whom Coleridge described as “a philosopher who had the love of wisdom, and the wisdom of love.”

How little has ever been done to uplift the physical, or to improve the moral, condition of the laboring classes in this, or any other, country! Who can read the reports on the state of the poor in our great cities and towns, or in the rural districts, and believe that “the rich regard prosperity as a trust for the good of those who are in want?”

Here is the absence of all that organisation of society in which the improvements of the higher are communicated to the lower classes, and in which intellect and virtue descend and are diffused. The rich link themselves to one another by common pleasures, privileges,

refinements, and, regardless of *their trust*, they leave the despised and neglected class to herd together like brutes, in brutal ignorance and filth; often destitute not only of the necessities of life, but also of the means of observing the ordinary decencies of civilisation.

Such is the condition of our poor,—the working of our Poor Laws,—and the effect of our present system of Taxation.

Thus, through another course of deduction, we come to the same conclusion, which, in a few words, may be thus stated:—

As Capital is something saved from revenue, and employed for the purpose of producing wealth, or, with a view to profit,—and as the earliest contributions to Capital must be from wages, any tax, direct or indirect, which diminishes wages, or revenue, must diminish, in the same proportion, the means of saving, for the purpose of producing wealth, and consequently must prevent, in the same proportion, the increase of capital.

So a tax which enhances the cost of the necessities of life 50 per cent., must have the effect of reducing the value of wages one-half, and of diminishing, to the same extent, the means of saving, for the purpose of producing wealth, or capital.

Thus, the true test of a people's prosperity is not their wages, but their consumption; and a people's prosperity is the best test of a nation's prosperity.

Malthus has shown, that it is not merely the *gross* amount of land produce in a State, *in proportion to the extent of territory*, which is the cause of domestic prosperity, but the *relative* amount of that produce, *in proportion to the numbers of the people*. Thus, if two nations possess an equal extent of territory, and raise an equal produce, and one contain *ten millions* of inhabitants, and the other *twelve millions*; in the former the food being divided in larger shares among the

people than in the latter, the former people will enjoy greater comfort and happiness than the latter, in common and average years.

But although the *gross* amount of produce, in proportion to territory, and its *relative* amount in proportion to population, be different things, yet, in general, large *gross* produce and *relative* abundance uniformly go together, where no impolitic laws or usages encourage a superfluous population, or interrupt the commerce and agriculture of the country. Wherever these are left free to the operation of nature,—or, are least interrupted, a large *gross* produce is uniformly attended with a *relative* abundance among the people.

To the freedom from intermeddling was the rapid progress of the United States of America to prosperity mainly attributable. There a large *gross* produce was in proportion to the large extent of territory, and was attended with a *relative* abundance among the people.

To lower the consumption of a people is, therefore, to lower the prosperity of a nation; and as the effect of *Indirect* taxation is to lower the consumption of the people, it follows, that the effect of *Indirect* taxation is to lower the prosperity of the nation.

These remarks are for exposing and refuting the common and very injurious fallacy,—that the effect of abolishing all taxes on the necessities and conveniences of life, would be, to lower the money rate of wages;—and of showing that a contrary effect must be the necessary consequence, by a continually increasing demand, both at home and abroad, for our natural productions, and manufactures. It is also evident that, the same consequence must ensue from the same cause in every civilised country of the world;—all showing that:—"The welfare of the People is the highest law."

That these views of the governing principle of the Wages of Labor are not new, and that the same views

were entertained by that great Statesman and enlightened Politician, Burke, may be seen in his pamphlet on "Scarcity,"—perhaps, one of the best pamphlets of its class in the language. He has there said :—"It is not true that the rate of wages has not increased with the nominal price of provisions. I allow it has not fluctuated with that price, nor ought it ; and the squires of Norfolk had dined, when they gave it as their opinion, that it might or ought to rise and fall with the market price of provisions.

"The rate of wages in truth has no *direct* relation to that price. Labor is a commodity like every other, and rises or falls according to the demand. This is the nature of things ; however, the nature of things has provided for their necessities. Wages have been twice raised in my time, and they bear a full proportion, or even a greater than formerly, to the medium of provision during the last bad cycle of twenty years. They bear a full proportion to the result of their labor. If we were wildly to attempt to force them beyond it, the stone which we had forced up the hill, would only fall back upon them in a diminished demand, or, what indeed is the far lesser evil, an aggravated price of all provisions, which are the result of their manual toil. There is an implied contract, much stronger than any instrument, or article of agreement, between the laborer in any occupation and his employer—that the labor, so far as that labor is concerned, shall be sufficient to pay to the employer a profit on his capital, and a compensation for his risk ; in a word, that the labor shall produce an advantage equal to the payment. Whatever is above that, is a direct *tax* ; and if the amount of that tax be left to the will and pleasure of another, it is an *arbitrary tax*."

On the question of the expediency of any legislative interference or intermeddling with the Wages of Labor, the following remarks of Burke are so profound and so

true, as well to deserve the reflection of Statesmen, Legislators, and Politicians, in these days:—"The questions arising on this scheme of arbitrary taxation are these—Whether it is better to leave all dealing, in which there is no force or fraud, collusion or combination, entirely to the persons eventually concerned in the matter contracted for; or to put the contract into the hands of those, who can have none, or a very remote interest in it, and little or no knowledge of the subject.

"It might be imagined that there would be very little difficulty in solving this question; for what man, of any degree of reflection, can think, that a want of interest in any subject closely connected with a want of skill in it, qualifies a person to intermeddle in any the least affair; much less in affairs that vitally concern the agriculture of the kingdom, the first of all its concerns, and the foundation of all its prosperity in every other matter, by which that prosperity is produced? The vulgar error on this subject arises from a total confusion in the very idea of things widely different in themselves;—those of convention, and those of judicature. When a contract is making, it is a matter of discretion and of interest between the parties. In that intercourse, and in what is to arise from it, the parties are the masters. If they are not completely so, they are not free, and therefore their contracts are void. But this freedom has no further extent, when the contract is made; then their discretionary powers expire, and a new order of things takes its origin. Then, and not till then, and on a difference between the parties, the office of the judge commences. He cannot dictate the contract. It is his business to see that it be *enforced*; provided that it be not contrary to pre-existing laws, or obtained by force or fraud. If he be in any way a maker or regulator of the contract, inso-much he is disqualified from being a judge. But this

sort of confused distribution of administrative and judicial characters, (of which we have already as much as is sufficient, and a little more) is not the only perplexity of notion and passions which trouble us in the present hour."

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"In the case of the farmer and the laborer, their interests are always the same, and it is absolutely impossible that their free contracts can be onerous to either party. It is the interest of the farmer, that his work should be done with effect and celerity; and that cannot be, unless the laborer be well fed, and otherwise found with such necessities of animal life, according to its habitudes, as may keep the body in full force, and the mind gay and cheerful. For of all the instruments of his trade, the labor of man (what the ancient writers have called the *instrumentum vocale*) is that on which he is most to rely for the re-payment of his capital. The other two, the *semi-vocale* in the ancient classification, that is, the working stock of cattle, and the *instrumentum mutum*, such as carts, ploughs, spades, and so forth, though not all inconsiderable in themselves, are very much inferior in utility or in expence; and without a given portion of the first, are nothing at all. For in all things whatever, the mind is the most valuable and the most important; and in this scale the whole of agriculture is in a natural and just order; the beast is as an informing principle to the plough and cart; the laborer is as reason to the beast; and the farmer is as a thinking and presiding principle to the laborer. An attempt to break this chain of subordination in any part is equally absurd; but the absurdity is the most mischievous in practical operation, where it is the most easy, that is, where it is the most subject to an erroneous judgment.

"It is plainly more the farmer's interest that his men

should thrive, than that his horses should be well fed, sleek, plump, and fit for use, or than that his waggon and ploughs should be strong, in good repair, and fit for service. On the other hand, if the farmer ceases to profit of the laborer, and that his capital is not continually manured and fructified, it is impossible that he should continue that abundant nutriment, and clothing, and lodging, proper for the protection of the instruments he employs.

“It is therefore the first and fundamental interest of the laborer, that the farmer should have a full incoming profit on the product of his labor. The proposition is self-evident, and nothing but the malignity, perverseness, and ill-governed passions of mankind, and particularly the envy they bear to each other’s prosperity, could prevent their seeing and acknowledging it, with thankfulness to the benign and wise disposer of all things, who obliges men, whether they will or not, in pursuing their own selfish interests, to connect the general good with their own individual success.

“But who are to judge what that profit and advantage ought to be?—certainly no authority on earth. It is a matter of convention dictated by the reciprocal conveniences of the parties, and indeed by their reciprocal necessities.”

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“Labor is a commodity, and as such, an article of trade. If I am right in this notion, then labour must be subject to all the laws and principles of trade, and not to regulations foreign to them, and that may be totally inconsistent with those principles and those laws. When any commodity is carried to market, it is not the necessity of the vender, but the necessity of the purchaser that raises the price. The extreme want of the seller has rather (by the nature of things with which we shall in vain contend) the direct contrary operation. If the goods at market are beyond the demand, they fall

in their value; if below it, they rise. The impossibility of the subsistence of a man who carries his labor to a market, is totally beside the question in this way of viewing it. The only question is,—what is it worth to the buyer?

“But if authority comes in and forces the buyer to a price, what is this in the case (say) of a farmer, who buys the labor of ten or twelve laboring men, and three or four handicrafts, what is it, but to make an arbitrary division of his property among them?

“The whole of his gains never do amount anything like in value to what he pays to his laborers and artificers; so that a very small advance upon what *one* man pays to *many*, may absorb the whole of what he possesses, and amount to an actual partition of all his substance among them. A perfect equality will indeed be produced;—that is to say, equal want, equal wretchedness, equal beggary, and on the part of the partitioners, a woeful, helpless, and desperate disappointment. Such is the event of all compulsory equalisations. They pull down what is above. They never raise what is below; and they depress high and low together beneath the level of what was originally the lowest.

“If a commodity be raised by authority above what it will yield with a profit to the buyer, that commodity will be less dealt in. If a second blundering interposition be used to correct the blunder of the first, and an attempt be made to force the purchase of the commodity (of labour for instance), the one of these two things must happen, either that the forced buyer is ruined, or the price of the product of the labor, in that proportion, is raised. Then the wheel turns round, and the evil complained of falls with aggravated weight on the complainant. The price of corn, which is the result of the expence of all the operations of husbandry, taken together, and for some time continued, will rise on the laborer, considered as a consumer. The very best will

be that he remains where he was. But if the price of corn should not compensate the price of labor, which is far more to be feared, the most serious evil, the very destruction of agriculture itself, is to be apprehended.

“Nothing is such an enemy to accuracy of judgment as a coarse discrimination; a want of such classification and distribution as the subject admits of. Increase the rate of wages to the laborer, say the regulators—as if labor was but one thing and of one value.”

“But what if the rate of hire to the laborer come far short of his necessary subsistence, and the calamity at the time is so great as to threaten actual famine? Is the poor laborer to be abandoned to the flinty heart and griping hand of base self-interest, supported by the sword of law, especially when there is reason to suppose that the very avarice of farmers themselves has concurred with the errors of Government to bring famine on the land.”

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“A greater and more ruinous mistake cannot be fallen into, than that the trades of agriculture and grazing can be conducted upon any other than the common principles of commerce; namely, that the producer should be permitted, and even expected, to look to all possible profit which, without fraud or violence, he can make; to turn plenty or scarcity to the best advantage he can; to keep back or bring forward his commodities at his pleasure; *to account to no one for his stock or for his gain.* [Mark these words, here printed in *italics*.] On any other terms he is the slave of the consumer; and that he should be so is no benefit to the consumer. No slave was ever so beneficial to the master as a free-man that deals with him on an equal footing by convention, formed on the rules and principles of contending interests and compromised advantages. The consumer, if he were suffered, would in the end always be the dupe of his own tyranny and injustice. The landed

gentleman is never to forget that the farmer is his representative.

“It is a perilous thing to try experiments on the farmer. The farmer’s capital (except in a few persons and in a very few places) is far more feeble than commonly is imagined. The trade is a very poor trade; it is subject to great risks and losses. The capital, such as it is, is turned but once in the year; in some branches it requires three years before the money is paid.” . . .

It is very rare that the most prosperous farmer, counting the value of his quick and dead stock, the interest of the money he turns, together with his own wages as a bailiff or overseer, ever does make twelve or fifteen *per centum* by the year on his capital. I speak of the prosperous.” . . .

“Observe I speak of the generality of farmers who have not more than from one hundred and fifty to three or four hundred acres.”

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“What is true of the farmer is equally true of the middle man; whether the middle man act as factor, jobber, salesman, or speculator, in the markets of grain. These traders are to be left to their free course; and the more they make, and the richer they are, and the more largely they deal, the better for the farmer and consumer, between whom they form a natural and most useful link of connection: though by the machinations of the old evil counsellor, *Envy*, they are hated and maligned by both parties.”

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“The balance between consumption and production makes price. The market settles, and alone can settle, that price. Market is the meeting and conference of the *consumer* and *producer*, when they naturally discover each other’s wants. Nobody, I believe, has observed with any reflection what market is, without

being astonished at the truth, the correctness, the celebrity, the general equity, with which the balance of wants is settled. They who wish the destruction of that balance, would fain by arbitrary regulation decree, that defective production should not be compensated by increased price, directly lay their *axe* to the root of production itself."

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"We, the people, ought to be made sensible, that it is not in breaking the laws of commerce, which are the laws of nature, and consequently the laws of God, that we are to place our hope of softening the divine displeasure to remove any calamity under which we suffer, or which hangs over us.

"It is one of the finest problems in legislation, and what has often engaged my thoughts whilst I followed that profession,—“What the State ought to take upon itself to direct by the public wisdom, and what it ought to leave, with as little interference as possible, to individual discretion.” Nothing, certainly, can be laid down on the subject that will not admit of exceptions, many permanent, some occasional. But the clearest line of distinction which I could draw, whilst I had any chalk to draw my line, was this: That the State ought to confine itself to what regards the State, or the creatures of the State, namely, the exterior establishment of its religion; its magistracy; its revenue; its military force by sea and land; the corporations that owe their existence to its fiat; in a word to everything that is *truly and properly* public, to the public peace, to the public safety, to the public order, to the public prosperity. In its preventive police it ought to be sparing of its efforts, and to employ means rather few, unfrequent, and strong, than many, and frequent, and, of course, as they multiply their puny politic race, and dwindle, small and feeble. Statesmen who know themselves will, with the dignity which belongs to wisdom, proceed only in this the superior

orb and first mover of their duty, steadily, vigilantly, severely, courageously; whatever remains will, in a manner, provide for itself. But as they descend from the State to a province, from a province to a parish, and from a parish to a private house, they go on accelerated in their fall. They *cannot* do the lower duty; and in proportion as they try it, they will certainly fail in the higher. They ought to know the different departments of things; what belongs to laws, and what manners alone can regulate. To these, great politicians may give a leaning, but they cannot give a law."

The foregoing extracts contain, pretty nearly, the substance of the whole of this remarkable pamphlet. But here is the final paragraph, word for word:—

"Tyranny and cruelty may make men justly wish the downfall of abused powers, but, I believe that, no Government ever yet perished from any other direct cause than its own weakness. My opinion is against an over-doing of any sort of administration, and more especially against the momentous meddling on the part of authority; the meddling with the substance of the people."

The Author is indebted to Lord Overstone for this valuable pamphlet, reprinted in the volume of 'Miscellaneous Economical Tracts,' printed by his Lordship for private distribution.

These are long extracts from a pamphlet 'On Scarcity,'—published upwards of sixty years ago! What have we to do with this now? There is nothing new in all this! Everybody knows it! Everybody admits it!

Exactly so! It was written in a time of scarcity, and there is no scarcity now. There is nothing new in all this *now*, though there was a great deal that was new *then*. All this is quite true—everybody knows it, and admits it. But no Government has ever practised it! This is remarkable. It was written in very dark times, by Edmund Burke, in the light of his own enlightened

mind. The truth which he saw very clearly, was then seen only by a very few. Therefore, very few then believed in it. Therefore, no Government acted upon it. Now everybody sees it—everybody believes it—and yet, no Government acts upon it! Ever since Burke wrote, Governments have been working against Nature to make a Scarcity! They carried on that warfare against Nature as long as they could, that is, as long as the people would let them. They now carry on the same system as far as they can. They make as much scarcity as they can by duties, more or less prohibitory, on the necessaries and conveniences of life, and thus mulct the working people in, at least, one-third of their wages, thereby making them the chief sufferers in the artificial scarcity thus created!

All this was very clearly exposed in the pamphlet from which these extracts are taken. The name of Burke may still carry some weight as an authority on these subjects, though his opinions, as well as his words, may be well nigh forgotten, and that is the reason why these long Extracts have been given here.

It seems no presumption to say that Edmund Burke, had he been now living, must have approved of and supported this Scheme of Taxation, it being so entirely in conformity with the principle which he has so ably advocated, in maintaining THE FREEDOM OF LABOR.

PROPERTY, NOT LABOR, THE SUBJECT OF TAXATION.

This is the main principle here advocated, but, in following it out in detail, many questions have arisen, in the nature of objections, involving, as alleged, paradoxes, contradictions, and inconsistencies. But these, when carefully examined, have been found to be only apparent,

—not substantial,—and in no instance has one exception to this principle been established. Of all the objectors on this ground, the one most deserving of attention was, that of Mr. Duncan Maclaren, now M.P. for Edinburgh, who, at the meeting of “The Social Science Association,” at Glasgow, in the year 1860, read an able Paper in favour of DIRECT against INDIRECT Taxation.

But, unfortunately, in the same Paper, Mr. Maclaren’s advocacy proceeded on grounds so directly at variance with this principle, that his advocacy could not be accepted on such terms, by those who followed the views of the Author of ‘The People’s Blue Book.’

Accordingly he addressed a Letter to Mr. Maclaren, in answer, through the ‘Financial Reformer,’ and as that Letter was considered by many to be a complete refutation of Mr. Maclaren’s errors, the substance will be here given, in answer to all this class of objections.

The following is from Mr. Maclaren’s Paper read before the Meeting at Glasgow :—

“By a just Property Tax, I mean that property of every kind, real and personal, whether realised, or embarked in trade, commerce, agriculture, shipping, professional pursuits, or in any other way, should be included, and pay its fair proportion, whether yielding income, or not,—which could be converted into money by sale, such as vacant building land, household furniture, pictures, statuary, plate, carriages, horses, cattle, machinery, *stock in trade*, capital employed in farming, money in hand, lent, or invested,—after deducting all just and lawful debts, exempting all property and funds under £50 (as in America), and deducting £50 from the property and effects of all classes chargeable.”

Taking STOCK IN TRADE as a convenient illustration of the argument against the whole, the reader will be able to apply the answer for himself to the other articles here enumerated.

The question, then, is:—

WHY NOT TAX STOCK IN TRADE?

Financial Reformers say:—Though we advocate a Property Tax, we cannot agree with you that your's would be a just Property Tax, because it would be partly, if not quite, a tax on labor. We believe you hold with us, that labor should not be taxed until it is realised; and we understand that labor is not realised, *antequam in rem, vel res, conversus est*.

If you adopt this definition, you must show that goods, or stock-in-trade, come within it.

If you object to this definition, you must give some other.

Now, we will proceed to show that goods, or stock-in-trade, do not come within this definition, but are excluded by it; and you will be bound to show that *res*, in a concrete sense, or property, includes goods, or stock-in-trade, as truly property within this definition.

We would also ask you, how you would word the Act of Parliament, for the assessment of trade stock, so as not to tax pure labor.

Let us take, as happening under your tax, what has happened without it.

A man has, in store, a lot of child's carriages, of the old traction form. These are suddenly superseded by the fore-driven perambulators. You would, probably, assess the lot of old carriages (fairly) on the decreased worth they would now bear in the market, and not on the price that brought them to the owner's hands. So far, so good. Then you would always assess stock on the price it would fetch by sale. If so—there is a poor cabinet-maker, who, having taken a little shop, with hardly any capital, has worked day and night to make—above the goods he has made to order—a little table, some chairs, and a few other goods to show in his shop: but he has

not been lucky enough to sell them. Is he to be taxed on these goods as *res*?

We hold, they are to him, as yet, merely *labor*, and not *res*; and ought not to be taxed.

It is bad enough that labor should be taxed *after* it has brought a man money. It would be far worse if it should be taxed *before* it should be remunerative.

Again:—a man has made a discovery in photography. His secret is worth money, for, after a year, he thinks fit to sell it for £50. Is he, in the mean time, to be taxed for this knowledge in his mind, since it is worth money in the market? To tax that knowledge, is to tax not *res* (in the concrete) but an abstraction.

A man has made a discovery, and, to work it, has taken a patent. Is he to be taxed for his patent—as it is of money's worth—before it has brought him a farthing? Or, an Author has a work in MS., and is recommended by his publisher not to print it till the next season. Is he to be taxed for it as *res*?—since it may ultimately be sold for money, as it is worth some.

We hold, and believe you hold, that the foregoing forms of labor and abstractions are not *res*, and that any law which would tax them as being convertible into *res*, would tax pure labor.

What, then, is property according to your definition,—and how will you assess it?

We think that the tools of a workman's hands, or the implements of his craft, ought not to be taxed; and that, as books are the implements of a Lawyer's, a Doctor's, and a Clergyman's, calling; and pictures and statuary are implements of that of the Painter, Sculptor, etc., these should be scot free.

You refer to the practice in America. But we want to know,—with deference to the experience of Brother Jonathan,—what would be the effect on Art, and especially on High Art, of a tax on Pictures.

If a poor painter were to send to a sale-gallery the hopes, in paintings, of a year's toil, and were not so fortunate as to have them taken off his hands, it would be a trying hardship to him that they should be sent back to him burdened with a tax on the price that he had unfortunately placed on them. The maxim, '*Ex nihilo nihil fit*,' must now become, "*Ex nihilo tributum fit*." The chance of selling a thousand pound work may be much lessened by the fact that it would carry to the buyer a heavy and endless taxation. And so with your tax on personal ornaments,—it would not be so much a question with a man, whether he could afford his wife diamonds, pearls, and precious stones, as whether he could afford to marry her encumbered with them. And so,—the winning by skill, or well-doing, of silver cups, or tea-kettles, might become an intolerable honor.

The Shareholders of the 'Great Eastern' are but ill-qualified by their present losses to pay a tax on the value at which an Assessor may choose to quote the Ship. If all property, whether yielding income, or not, is to be taxed, who is to pay the property tax on Town Clocks, Town Pumps, and Street Lamps, or on County Bridges, and Guide-Posts?

You talk of taxing "*vacant* building land." By building land, do you mean land which the owner may have marked off, and offered for building? Or, land which would be likely to be bought for building, if the owner would sell it?

If the latter is to be taxed as building land, we are uneasy for the children's playground in the Village-greens; and if we were the owner of lands near the rim of an increasing population, we should be uneasy with the thought that some Ahab of a builder, who may begrudge our Naboth's acre, may greatly annoy us on our refusal to sell it to him, by declaring to the Assessor that it was building land, and ought to be taxed on

imaginary house-rents, while it yields me only grass ;—and I may sing the doleful ditty of Virgil's Shepherd :
“ *Dulcia linguimus arva.*”

It may be said that common sense would settle such cases of property ; but, perhaps, no better common sense would be applied to them than the understanding that, what the law declares to be right, should be taken for right.

May we be delivered from perplexing assessments, while we have no better than our present most un-English form of hearing appeals against over-charges ! What is it ? Why, I am over-charged in Income-tax by the Assessor, and I appeal against his wrong to the Commissioners, and when I come before their bench, I find they have called him up among them as their adviser (assessor, *i.e.* bysitter), in their judgment on his own act ! This has often happened—it is the common practice. What would be thought of a judgment by a judge, if I took my seat against my wrong-doer before him, and he were to call my adversary on the bench that he might be instructed by his opinion of the alleged wrong ? *Risum teneatis amici ?*

In the case of crime, Government will, sometimes, give a man counsel. In the case of taxes, they take counsel against him.

A tax-collector is a great, though necessary evil ; but a tax assessor is an intolerable, and unnecessary infliction. The judgment of the Assessor, in every case, when objected to by the party assessed, ought to be the subject of investigation by a Jury ; but that would be practically impossible, with your long schedule of Assessments on Stock in Trade, Furniture, and other household goods, chattels, and personal effects.

With respect to strong drinks, it would be well, for the sake even of the people's morals, to see malt drinks free of malt-tax and licences—perfectly open—so that

many of our new houses, like many of our old ones in the country, may have—if their occupiers would drink beer—a tiny malt-kiln,—so that any Village ‘Willie’ might brew, if he would, his ‘peck o’ maut,’—and have his pure cup with his wife and children, without the brewer, who has now become a great monopolist. We do not at all fear that Free trade in Ale would make drunkards. They are neither made nor reformed by any taxation of drink.

A Railway and its plant are as much Stock in Trade as are the goods in a shop; and a Railway Shareholder is more a holder of property, than is a sleeping partner in a business.

If you come to try the wording of your Act of Parliament which shall include goods, or Stock in Trade, you will soon be lost in contradictions, inconsistencies, and anomalies, in which it will be vain to look for any guiding principle; and you will thus, yourself, not only fail in maintaining what you are desirous of establishing, but will furnish your opponents with an argument which they will use with fatal effect against you—in short, you will ruin your cause by your own advocacy.

To exempt from taxation labor of every kind, until the laborer have received his wages in full, or the market price of his labor, is the very essence of the principle in question; and this is the only real point in the question.

It is easy to put cases in which the shade of distinction is so faint as to be scarcely discernible; but this in no degree affects the principle. If the principle be sound, it must be good in every case. To shake it, you must produce a case of inconsistency, or injustice. You must show it to be unjust in itself, and inconsistent with other known, and universally admitted, rules. We admit that, one such case would be fatal to the principle which we maintain. But that you have not shown. You have shown

sincerity, and disinterested candor, but you have not shown sound judgment. You have expressed an opinion, but you have supported it by no argument—you have attached it to no principle ;—but you have set it up in opposition to the principle which you have professed to maintain.

We may both of us claim credit for disinterestedness, but we cannot both be right. You are largely engaged in trade, and nearly all your worldly property consists of goods, or Stock in Trade.

I am a large land-owner, not engaged in Trade, and nearly all my worldly property consists of land and houses.

You would tax Stock in Trade, to relieve land.

I would tax land and houses, and exempt goods, or Stock in Trade.

You would tax land, houses, hereditaments, and all personal property and labor.

I would tax land, houses, hereditaments, and all realised property, excluding all other property, and labor.

You profess to advocate Direct Taxation, and the abolition of Indirect Taxes, and yet you would continue the most obnoxious of all Indirect Taxes, the tax on labor, or on goods which have not yet realised the profits of labor!

You advocate Free Trade, and yet you strike at the very root of all freedom!

You would let in the tax-gatherer to every shop, and warehouse—into every private house and cottage,—to make an inventory and valuation of all goods, Stock in Trade, chattels, and personal effects ; or, you would take the estimate of these for the tax on the owner's own valuation, and thus set in antagonism self-interest and self-respect. Thus, you would demoralise the public mind, discourage the Fine Arts and Literature throughout the kingdom,—diminish the Profits of Trade, and depreciate the Wages of Labor! You would maintain a

large body of hirelings, at the disposal of the Government, to extract money from the pockets of the people, under the name of a Property Tax, but irreconcilable with every principle of common justice and common sense—irreconcilable with common justice because the merchant has not yet received fair profit for his capital, nor the laborer fair wages for his labor ;—irreconcilable with common sense, because the Government, if it would only wait until the merchant has received his fair profits, and the laborer his fair wages, would receive much more by the tax on the property which those profits, and those wages, if untouched by the tax-gatherer, would help to realise.

Can anything equal the folly of imposing an obstacle, impediment, or draw-back, to the creation of new capital?

Why do we expend millions on Railways, but to overcome the impediments of mountains and mud-ruts? And what are all Indirect Taxes, especially taxes on profits and labor, but impediments like to mountains and mud-ruts in effect? We expend our millions in removing these obstacles, and we set up worse obstacles—worse in their consequences—under the name of Customs and Excise Duties!

Can any folly surpass this? If we must keep the obstacles, why not save the millions? But as the millions are spent, why keep the obstacles? Nature has interposed one set of obstacles, but these stimulated the skill and industry which has removed them. We, ourselves, have interposed the other set of obstacles, and the tendency of them is to paralyse skill and industry.

If it be shown that more money is lost than gained by such a tax, no argument in its favor, on the ground of justice, or necessity, can be maintained. And this, we think, we have shown.

We have shown that it is against the true interests of

a State to tax labor and trade, in wages and profits; and that exempting these can never make inequality of taxation. If the effect of exempting wages and profits from taxation be to cause an increase of capital, there can be no injustice to any one in the exemption; and to justify a contrary course, on the ground of necessity, can only be under very extraordinary circumstances.

Under ordinary circumstances, no State can have a claim, in justice or expediency, to any portion of an income derived otherwise than from property realised; for, as already shown, that would be to tax, not the property, but the labor,—not the *res*, but an abstraction.

As for instance,—all incomes derived from Agriculture, Trade, Manufactures. To tax these incomes would be to tax labor. Then, again:—all incomes derived from professions, or the arts, or sciences,—to tax these incomes would be to tax abstractions.

Instead of injuring any one by exempting these, all are equally interested in maintaining these exemptions; because it is for the interest of the State that all these incomes should be free from taxation.

This is perfectly consistent with justice and common sense. Equally so is it to tax property when realised; that is, when it has paid the wages of labor, and the profits of trade, and is invested in Government or other securities, which brings it immediately under the special protection of the Law; for, if it do not come under the *special* protection of the Law, that is, under Statute Law, it does not come under the definition of *realised* property, and is not liable, as such, to be taxed. As for instance, if the owner of such money choose to invest it again in trade, or in any private speculation, or to give it to a friend, or to spend it on works of art, science, or literature, or to lock it up in a box,—on what ground of justice, or expediency, can the Government claim the right to tax that money?

It is not brought under the special protection, or even under the cognisance, of the State. What right then in justice or expediency,—in reason, or common sense,—to question the owner about his private affairs, which in no way come before the State,—which claim no special protection of the Law,—and which can be known only from extorted confessions, or bribed communications?

Such money, however applied, may be doing better service to the State than it could do if subject to taxation; and, sooner or later, that money, and probably much more, must become liable to taxation in the form of realised property.

In the mean time, who is injured?

The miser hoards for the spendthrift to spend, or the prudent speculator to invest. The capital increases, or it circulates.

In any case, the State ultimately gets its dues. But, then, the manufacturer, the merchant, and the trader, each gets his full profits, and the skilled artisan and common laborer get their full wages. All are served in their turn,—all are benefited. The principle is just, and, therefore, it works equal justice to all.

If this principle were carried out by all Nations, it is easy to see that the increase of commercial prosperity and human happiness, throughout the world, must be very great, though we have no experience to guide us. Where will the people *then* be found ready to go to war? Where will the demagogue *then* find an audience? Where will the worthless idler, and the drunkard *then* find an asylum?

They will then find the door of mistaken pity closed upon them, because the prison-door will then be thrown open,—the fetters will be struck off,—and they may, if they will, go forth to freedom and honorable independence,—for full wages, and full profits.

The necessities and the comforts of life will then be open to all who are able and willing to win them. The only objects of charity will then be the *unable*, and they will be comparatively few—chiefly the aged and infirm, and destitute children.

The annual seven or eight millions for compulsory charity, and the unknown sums for private benevolence, may then be cut down more than three-fourths; and then true charity,—founded on human sympathy, the source of which must be in Divine love,—will revive in the land. The battle of life will then be fought on fairer ground, and all classes will then see JUSTICE—which is—“TRUTH at work.”

Such was the substance of the author's answer to Mr. Duncan Maclaren,—through the ‘Financial Reformer.’

The answer was favorably received by many, and was said to have made a favorable impression on the minds of a majority of the Members of Council of the Liverpool Financial Reform Association.

But if the impression were favourable to the exemption of Stock-in-Trade from all taxation, that impression did not appear to be extended to some other descriptions of property comprised in Mr. Maclaren's tariff.

Why many other descriptions of property should be exempted was a puzzle and perplexity, and so it always will be, without a clear perception of the principle, as here laid down, to govern all these questions.

What description of property should be subject to taxation, has always been a question.

We say that realised property alone should be subject to taxation; *i.e.* after wages and profits have been realised.

We do not say that labor should not be taxed, for that would exempt all property; but only that the laborer should not be taxed in *his own* labor.

In further answer to all this class of objections, we took the case of ships to illustrate the principle.

It was said,—if you tax Houses, why not tax Ships?

To tax Houses, and to exempt Ships, seemed to many a paradox.

The answer to this was accordingly given through the columns of the Financial Reformer, and by many the answer was considered to be satisfactory and sufficient.

The substance of that answer was as follows:—

WHY NOT TAX SHIPS?

The principle propounded is this:—

That the profits of trade, and the wages of labor, as such,—or industry and skill,—should not be taxed.

That realised property only should be taxed.

The definition of realised property has already been given.

That may be an arbitrary definition, but, whether so or not, is immaterial, if it be strictly adhered to.

That taxes must be raised on some property nobody denies.

What is property?

Generally,—“*Omnia quæ propria sunt*,”—all that are a man's own.

No one proposes this as the definition of property for taxation. There must, then, be exceptions for exemption.

What is property in a political sense?

All that is a man's own, of all that has been at any time won, made, or brought to hand, by man's labor.

No one proposes this as the definition of property for taxation.

What, then, is taxable property?

This has already been defined.

The summary of taxable property stands thus:—

All lands, Tenements, Hereditaments, including Manors, and all Manoral and Seignoral Rights, and Fisheries, producing Income, and standing timber. All Govern-

ment Funds, Shares of Railways, Canals, and all other Joint Stock, and Chartered Companies, and all money out on loan.

The Exceptions of Exemptions are:—

All Mines and Minerals, worked or unworked, but not the land under which they lie.

All Buildings for Manufactories, Warehouses, and Works of every description: but not the Land on which the buildings stand.

All Railways and Canals; but not the Land held therewith.

All Lands and Buildings exclusively devoted to Public Worship, Public Education, and Public Charity.

All Folk-land, such as road-land, village-greens, parks, and play-grounds for the People.

All Property of the Crown, and of Foreign Ambassadors.

All yearly crops.

All machinery and tools.

All carriages, carts, and every other description of vehicle.

All horses, cattle, and every other living creature (except the human) that walks, swims, or flies.

All Pictures, Statuary, Books, Jewellery, and all other Works of Art, Science, Literature, and Skill, and every other description of personal Estate and Effects, not comprised in the definition of *realised* property.

Now, if it be asked:—Why tax the property here taxable, and not tax the exceptions of exemption?

The answer is:—The property here taxable is *realised*,—producing income to the owner by other men's labor, *without* the owner's own.

If it be said:—So do various other descriptions of property:—the reply is:—but none of those come under the definition of *realised* property.

Why not tax yearly crops?

The answer is:—To tax yearly crops would be to tax the profits of trade not realised, and the wages of labor.

Why tax realised property, and not tax tools?

The answer is:—The income of realised property is not from the owner's own labor;—that from tools wielded by a man's own hand is so.

Now, here is a principle which will govern every case that can arise. Let us try it in a few particulars by way of example:—

Why not tax food in store?

A tax between the food in store, and the hunger that craves it, is bad.

Why not tax house-gear?

A tax between the land and the utensil is bad.

Why not tax unsold goods made or bought for sale?

A tax on what is only a loss, as long as it is unsold, is bad.

Why not tax Ships?

Ships are only machines for carrying, and a tax on machinery, which saves labor, is bad.

Why not tax horses?

Horses are used as machines to save labor, for pleasure or profit. In either case the tax is bad.

Why not tax Pictures, Statuary, Books, and Jewels?

Works of Art and Science are only for the mind or soul, which is spirit. They are not for the service of the body, and as tax-money is a bodily thing, and the mind a spiritual one, a tax ought not to be demanded of it. *A spiritu nihil corporeum exigas.*

Why are all these bad taxes?

Let us answer this by a few examples.

Why is a tax on machinery a bad tax?

Machinery must always be an expense, and, of itself, never can be a profit. By combination with capital, skill, and labor, it may produce profit, or loss.

If profit, and if that profit be invested in realised property, then, as such, it becomes taxable.

If loss, then there is nothing to pay the tax.

If the profit be again employed in trade, or not employed at all, or not invested, for the same reason (as already elsewhere shown), it ought not to be taxed. It is accumulating realised property, or new capital, for future taxation, and, in the meantime is distributing profits for the employment of more labor.

Why is a House realised property, and a Ship not?

Because a Ship may be lost?

So may a life-hold House: so may money on loan.

Because it is earning money in trade?

Yes,—but as property, not as the owner's work,—not as his hand-tool.

Because it is needful to the owner's business?

So is the merchant's warehouse, and office, and business buildings.

What can be said of the Ship to save it?

Of itself it is of no value—can produce nothing without hands to work it, and skill to guide it.

In taxing the Ship, you are taxing the capital before the service is performed, and the profits are realised,—and you are taxing labor and skill.

The Ship, or machine, is no more taxable property than is Stock in Trade, or unsold goods. Instead of income, it is a positive loss, until the profit be realised.

Not so of the House, which is fixed to the freehold, and cannot be separated therefrom; and, as soon as completed, is income, (or may be) ascertained, or calculable.

But the Ship is fixed nowhere, and to nothing, and may be anywhere on the ocean, or at the bottom.

The Ship without hands to work it, and skill to guide it, as such, is of no value, being incapable of rendering any service.

So is Land without the labor of Man.

But the Ship is the work of man's labor, which Land is not.

The Ship, as such, is not only of no service unused, but is an actual loss.

Not so of Land.

Besides, practically, every tax on the British Ship must be a premium to that amount on the Foreign Ship.

Such a tax, therefore, is as injurious in practice, as wrong in theory.

The House is a fixed and immoveable property, of ascertained, or ascertainable, worth, or service. It is *realised* property.

This may be said to be an arbitrary definition. Be it so. Taxation is an arbitrary measure. We have to do only with the justice and policy of the tax. We show it to be just and politic.

The Ship is a moveable and uncertain property, of unascertained, and unascertainable worth, or service.

It is not *realised* property, but, like machinery, is used for making realised property—for accumulating capital.

Machinery is only for making more available for man's use the gratuitous powers of nature.

So is a Ship.

By imposing a tax, you interpose an obstacle, an obstruction, a mountain, a mud-rut, and thereby, to that extent, prevent mankind from availing themselves,—to the extent they might otherwise have done,—of the gratuitous powers of nature for the benefit of mankind;—thereby preventing the increase of realised property for future taxation;—and thereby diminishing, *pro tanto*, the wages of labor, and the welfare of the people;—the profits of trade, and the wealth of the Nation.

To tax Ships and exempt Stock in Trade cannot be consistent.

It is quite consistent to exempt both.

To tax the profits of Ships, and Stock in Trade, *when realised* (according to the definition) is quite fair, and consistent. In both cases the tax would then be payable.

In the case of Stock in Trade—the property of an individual—the profit realised could not be ascertained, or touched, for taxation, until invested in some realised property, as defined;—arbitrarily defined, but still defined, and consistently adhered to.

The property taxable would then be under the *special* protection of Statute Law, and the money worth would then be ascertained, or easily ascertainable;—as in the case of investment in Land, or Houses, Government Funds, Joint Stock, or Chartered Companies,—all under *special* protection by Statute Law. The rent, dividend, or income, would represent the money worth, and on that the property would be taxed.

So in the case of the Ship.

The profit could not be ascertained, or touched, for taxation until invested in some realised property, as defined.

When brought within that definition the profit would be realised and tangible. Then the profit, or income, would be ascertained, or ascertainable, and on that the tax would be assessed.

Thus in the case of the Peninsular and Oriental Steam Packet Company, under the protection of a special law, the law would lay hold of the dividends, as realised profits, and would hold back 10 per cent.

But, on the same under a private holding, or partnership, the law would have no hold,—no right to ask a question, or to interfere,—and would, therefore, take nothing, until it came within the law's specially protecting power, and then the law would take for the State's service, the 10 per cent., or other rate, applicable to all descriptions of realised property.

The same of Railways, and Canals, if in Public Companies. But not so if in the hands of private individuals, or private partnerships.

Here is no tax on the Stock in Trade, on the Ship, on the Machinery, on the Railway, or on the Canal, as such ; but on the realised, ascertained, and tangible income, or profit, of the *realised* property.

Here is no obstruction to trade, no interference with labor, no artificial obstacle, no mountain, no mud-rut, no premium for perjury, no question, no dispute ; or, if any, it can be only a question of amount, to be determined by a Jury.

The necessary demands of the State are made equally upon all, on whom any such demands can be justly or wisely made, and are answered equally and fairly by all, without fraud, without hardship, without question, without dispute.

Now, let us take another example.

Why tax a Fishery, and exempt a Coal-mine, or other mine? Both are comprised in the comprehensive '*hereditament*.'

The one, no more than the other, is property producing Income, without human labor and skill.

Both may be profitable with labor and skill, not the owner's own.

The fish are in the river, which runs through my land.
The Coal lies under my land.

The Fishery is let for the net rent of £1000 a year.

The Colliery is let for a royalty, or fixed rent, which produces the same net income.

This sum, in each case, is equally the produce of the Estate.

Why, then, tax the Fishery, and not the Coal-mine?
It is difficult to say why.

The distinction is a nice one.

But there is a difference.

A Fishery is a property, a privilege, a right of fishing. That is the property sold, not the fish.

Fish in a river, until caught, are *feræ naturæ*,—no man's property,—therefore, not saleable.

They, or some of them, may be in the river to-day, and in the sea to-morrow.

I sell the exclusive right to catch them within certain boundaries.

It is not the fish which is taxed, for fish is food, and "a tax between the food and the hunger which craves it is bad."

It is the exclusive right, or privilege, which is taxed :—The realised property.

The money worth of the right, or privilege, or service rendered in exchange for the money payment, or other service, is ascertained by the payment, or worth of the other service, and is free from question.

The income so produced is as fairly taxable as the income of the freehold land.

The tax is not on the fish, nor on the man who rents the Fishery.

For that he pays no tax.

The tax is on the *realised* property.

Now, for the Coal-owner who sells his Coal for the rent of £1000 a year, or for a royalty producing that amount.

The Coal-owner sells not only the right, or privilege, of getting the coal, but the Coal also, which is his own property. He sells it as he might sell the timber cut from his estate.

Timber growing is fixed to the freehold,—is property realised,—of ascertainable value—has an exchangeable service,—and, as such, is taxable.

The same cut is severed from the freehold, and is for sale, or the owner's own use. It has paid the tax already as standing timber, and is no more taxable. It then becomes subject to labor and skill.

To tax the cut timber would, therefore, be to tax the same thing twice, and also to tax the labor and skill employed to make the cut timber of any value as an exchangeable service.

A tax on labor and skill is bad.

The Coal-owner who has sold his Coal for a certain rent, or royalty, has thereby fixed the value of the exchangeable service, not the value of the coal, for that is of no value, and never can be of any. He did not plant it, or sow it, or produce it. He simply became possessed of it. It is a natural production,—a gratuitous service of nature, for which nothing has been, or ever can be, given in exchange. It, therefore, has not, and never can have, any value; for value supposes an exchange of services.

But, by human industry and skill, this gratuitous service of nature may be made useful,—a means of exchanging service for service. This interchange of services may be of value.

But it is the delivery of the Coal which is the service of value, not the Coal, as will be seen if the Coal be supposed still underground. The utility is in the Coal, but the value is in the service which brings the utility into action. That can be only by labor and skill. Whilst the Coal remains underground, the gratuitous service, in the utility, has never been realised. The Coal has never been used:—the utility in the Coal has never been made use of.

The Coal has never been worked,—has never produced any profit, or income,—has never rendered any service. It is not only of no value, but it never has been, and never can be of any.

It can only be useful, and that is the gratuitous service which never has been, and never can be, remunerated.

The owner now transfers his right to another, in

return for an equivalent service rendered. The gratuitous service of nature, which he has become possessed of, he transfers to another, for money.

He permits the Coal to be worked—to be brought into use for the benefit of himself and others—to be made useful and profitable to man by his labor and skill.

He is not to be taxed for *that*.

He is not to be taxed for the Coal.

The Coal is not his. He has sold it. Or, if not,—if he work it himself—he has not realised his profit.

The profits of trade, and the wages of labor, must not be taxed.

If he have received money in exchange for his Coal, money, as such, is not taxable.

Money is valueless, and useful only as a measure of value of services.

Coal is valueless, and useful only as a means of service.

Value can exist only in reference to services exchanged, which implies services given, and received.

But Utility, if not a measure of value, is an important ingredient in the question.

To a man dying of thirst, with a sack of gold by his side, the sack of gold would be a good exchange for a glass of pure water.

The gold would not be the measure of value for the water, but for the service.

The water is of no value.

The water is useful.

That is the gratuitous service of nature, which is unremunerated,—no service being rendered in exchange.

To the man dying of thirst, the water is of no service, unless brought to him.

In the well it is useless to him.

Brought to him, it saves his life.

It is brought by an *effort*.

In that *effort* the service is rendered.

That is the service rendered.

The sack of gold, given in exchange, is the measure of value—of the value of the service rendered.

Here is the utility of the water, and the value of the service.

Just so of the diamond.

A man, walking along the sea-shore, happens to pick up what he supposes to be a small pebble, but which turns out to be a diamond.

Another man desires to possess it, for its rare size and brilliancy.

The lucky finder says:—"You may have it for £10,000." "Oh,"—says the other—"that is monstrous—for merely taking a walk on the sea-shore!"

"Well"—says the finder—"go you and do the same—and I will keep my diamond." But the other,—considering—sees that he may walk for ten years, or his whole life, without the same luck,—and so—he pays down the £10,000 and takes the diamond.

Is the diamond, therefore, of value?

It is of no more value than any other pebble, and it is of no more use; except as the means of rendering a service, or supposed service, which is the same thing.

Here is no labor or skill rendered.

But here is labor and time saved;—ten years, or a life of wandering along the sea-shore in search of such a diamond, with little chance of finding it.

For that service £10,000 is paid.

In that point of view it is no bad bargain.

Here is the exchange of services.

The diamond and the money are the instruments of the services mutually rendered in exchange.

If the diamond were given for nothing—for no service in exchange—there would be no value,—no more value than in a common pebble.

The services to be exchanged are as infinite in number and variety, as in quantity and quality; nor are these necessarily dependent on material substances.

Coal while underground is, in quantity and quality, more or less uncertain.

In this respect, Coal underground is unlike growing Timber.

Growing Timber can be measured, and its worth can always be ascertained. Whilst growing, the worth may generally be considered as increasing with the growth, and the larger the girth, the greater the annual increase.

Coal, though part of, or belonging to, the freehold, is, of itself, invested with no freehold right, and, until separated from the freehold, produces nothing to pay a tax.

It is, therefore, not taxable.

The distinction, if slight, cannot be said to be a distinction without a difference.

But is it not something to find a distinction which fairly exempts from taxation the greatest source of wealth to the kingdom?

Can it be wise to tax the Collieries, the Mines and Minerals, the Furnaces, the Manufactories, the Workshops of this greatest manufacturing and commercial kingdom?

Can it be sound policy to bring down this country to an equality with other and less highly gifted countries, by raising artificial impediments and obstructions to the realising of our pre-eminently great natural resources?

Does he not do good service who shows that it can never be sound in theory, or wise in practice, to impose such a system of taxation as unavoidably tends to such a result?

Who is injured by any of these exemptions?

If any one can show the smallest injury, or injustice, then he may prove the theory wrong, for nothing that is practically wrong, can be theoretically right.

Let him try.

It is needless to carry the reasoning further.

It is needless, for any one who has followed thus far, to show that Railways and Canals should not be taxed, as such.

That has been already shown by arguments, illustrated by facts, and confirmed by figures.

It has been shown that all such taxes defeat their object,—make the mud and ruts, to remove, or overcome, which so vast a capital has been expended.

The land occupied by the Railway, or Canal, is the only thing to be touched by the tax.

The property realised by the Railway, or Canal, (if belonging to a Joint Stock, or Chartered Company,) is another thing. That, (coming within the definition) is fairly taxable, a deduction of 10 per cent. from the dividends, before payment to the shareholders.

As already shown,—there is no hardship in that,—no inequality,—no injustice.

Now, what is the aim and object of all this, but to bring into more complete operation that ‘Economic Harmony’ so admirably stated by ‘Bastiat,’ whose immortal Works, when more known, and better understood, will render his name illustrious for his services to mankind?

It will then be seen, as he has said :—that, “By labor the action of man is combined with the action of nature. Utility results from that co-operation. Each man receives a share of the general utility, proportioned to the value he has created ;—that is to say,—to the services he has rendered ;—in other words,—to the utility he has himself produced.”

The ‘Practical Scheme’ here propounded proceeds on

this principle :—to bring into more complete harmony and combination the labor of man, with the action of nature—to make the *free* labor of man to co-operate with the *gratuitous* services of nature—to make the labor of man free, by giving him the wages of labor free of taxation—to make this co-operation more complete, by setting free of taxation those gratuitous services of nature which were intended to be free gifts to all mankind,—such as air, light, water, gravitation, elasticity, caloric, electricity—to make all these mingle and co-operate more and more with our industry.

As Bastiat says :—“ These are substituted for human labor. They do for us gratuitously, what labor does only for an onerous consideration. They annihilate value without diminishing our enjoyment. To speak in common language,—what cost us a hundred francs, costs us only ten—what required ten days’ labor, now demands only one. The whole value, thus annihilated, has passed from the domain of property, to that of community. A considerable proportion of human efforts has been set free, and placed at our disposal for other enterprises, so that with equal labor, equal services, equal value, mankind have enlarged prodigiously the circle of their enjoyments.”

When will Governments and People understand the important truth contained in these few words?

When the People understand it,—but not before,—they will make Governments not only understand it, but also set to work in earnest to realise it, for the blessing of all Nations and People.

But misery will still remain, though goods become cheap.

Vice and folly, unrestrained, will still do their work—if not in the same way,—perhaps, even more hideously.

WHAT IS VALUE?

The foregoing views and reasoning,—so opposed to long established habits,—have been treated, by some, as whimsical, and paradoxical; and the distinctions have been set down as merely fanciful.

But we believe the principle to be so sound, and the deductions so truly drawn, and the question to be of such high importance, as to deserve some further consideration. Indeed, it may be admitted, without reserve, that this principle is the basis of the whole Scheme here presented, and that it is essential for a correct understanding of it, that the distinction between UTILITY and VALUE should be clearly seen and acknowledged.

Without a clear perception of the true meaning of 'VALUE,' the distinction between a right to work coal, and a right to catch fish, must appear to be a distinction without a difference, for the purpose of subjecting the one to taxation, and of exempting the other,—must be open to ridicule as a whimsical paradox. But to introduce paradoxes, or 'ingenious contrivances,' into these pages, is very far from the intention.

To many it will appear nothing less than a word-quibble,—nothing short of absurdity,—to say that,—Gold is of no value.

But when their misapprehension on that ground is removed, with it also may be removed many other misapprehensions,—and what may now appear to be a gross absurdity, may then be seen to be a very simple truth.

The great fundamental error of all our Economists, and which has involved them in endless and bewildering contradictions, has been so clearly exposed by Bastiat, that it will be sufficient only to allude to it here, for the

purpose of showing how it applies to the subject of Taxation.

The error arises from confounding VALUE with UTILITY.

There is not, and never can be, any value (in the true meaning of the word) in anything, the production of nature. There is only utility.

Value supposes something rendered, and something received in exchange, as an accepted equivalent; or, a service performed in exchange for another service—an interchange of services, or supposed services, for whether real services, or not, is immaterial, if accepted as such.

The service is of value, and the value is represented in many ways. Sometimes by a piece of gold, or silver, or copper, or some other substance, sometimes by labor, or skill.

Nothing but *service* can constitute value, and value implies, services exchanged.

There is no value in gold, as would be more clearly seen, if there were no one to receive it in exchange for services.

Now, all the services rendered by Nature are gratuitous, and must, therefore, be put out of the question.

We cannot interchange services with the Almighty. We have nothing to give in exchange. When we break bread we give thanks, nothing more. This is no service in return, but only an humble acknowledgment.

“The Earth, and the fulness thereof”—all the Elements—all creation—are the gratuitous services to mankind, and, therefore, cannot constitute value, because it is essential for value that services should be exchanged. Here can be no exchange.

Value, then, can exist only between man and man; and can be only the measure of services exchanged.

These services must all be comprised in, and expressed by, one word,—*efforts*. This is a better word than *labor*, because efforts comprise all, which labor does not.

This distinction between VALUE and UTILITY must be ever preserved in the mind. This is not a play upon words, which would be contemptible. It is the essence of the whole question under consideration.

Now, let us apply this distinction to the present question.

Property is what belongs to a man.

If he hold, as his own, a thing (a ship) brought to hand by the efforts of man,—it is property of value.

Now, the aim of Government should be to throw the burden of taxation, as much as possible, on that description of property which least interferes with *efforts*, or *services*. That description of property is, all such property as produces income to the owner *without any effort of his own*:—as a thousand pounds with which a lawyer may have bought a share in a Steam Packet Company.

What is realised Property?

What may have been collected together by the owner's own efforts.

He may think it hard that any part of it should be taken away from him.

But if he be now enjoying the income from it, without any further effort of his own, he must submit. He is rendering a service to the State, in return for the service rendered by the State to him. There can be no hardship in this, if more be not taken than is fairly wanted and applied:—at any rate, the hardship—if any—is the same to all.

But all Governments seem to have in view an object directly the opposite to this.

They throw the burden of taxation on that descrip-

tion of property which interferes, in the utmost possible degree, with the interchange of services.

In so doing, they cause great loss and misery to individuals, and great loss to the State.

They impose the taxes, or by far the greater part of them, so as to fall upon, and thereby greatly to diminish, the *efforts* which are the foundation of value, and the wealth of nations.

They thereby raise obstacles to the accumulation of property, and, by impeding, diminish the very sources of wealth; thereby causing an amount of human misery and guilt, beyond human calculation, or remedy.

They step in between the Creator, and His helpless creatures, and deprive them of those *gratuitous services* which He has rendered and intended for the enjoyment equally of all.

They impose the burdens of the State on His gifts, and thereby prevent that complete co-operation which was intended between human beings, for their mutual benefit.

They disturb the Economic Harmony of Nature.

By mistaking Utility for Value, and Value for Utility, they confound and diminish both.

By embarrassing and impeding the co-operation of the gratuitous services of Nature with human efforts, they restrict and diminish both.

“Value can never exist as an attribute of matter.” So truly said Bastiat.

It cannot be denied that matter and value are often found separated. But, if value reside in matter, then, where there is no matter, there can be no value.

If in the production of wealth, the action of nature be combined with the action of man, the first—gratuitous and common in its own nature—remains gratuitous and common in all our transactions; the second—alone re-

presents *services, value* ; the action of man alone is remunerated.

That alone is the foundation, explanation, and justification, of Property.

Whatever is of the action of man, is Property.

A Ship,—as such,—is of the action of man.

Therefore, a Ship,—as such,—is of value.

Therefore, relatively to each other, men are proprietors only of the value of things.

In transferring products from hand to hand, what they stipulate for exclusively is,—value ;—that is to say, —reciprocal services ;—all the qualities, properties, and articles which these products derive from nature, being obtained by them into the bargain.

This is the true meaning of *Community*, the admirable phenomenon, the most touching dispensation of Providence to the creature—the phenomenon of *progressive community*.

Wealth,—taking the word in its general acceptation, —results from the combination of two agencies—the action of nature, and the action of man.

The first is *gratuitous*, and *common*, by the destination of Providence, and never loses that character.

The second alone is provided with *value*, and consequently, *appropriated*.

With the development of intelligence, and the progress of civilisation, the one takes a greater and greater part, the other a less and less part, in the realisation of such given utility.

Hence it follows that, the domain of the GRATUITOUS, and the COMMON, is continually expanding among men, relatively to the domain of VALUE and PROPERTY.

This is a consoling and suggestive view of the subject, entirely hidden from the eye of science, so long as we continue to attribute value to the co-operation of Nature.

Men of all religions thank God for His benefits. The

father of a family blesses the bread which he breaks and distributes to his children;—a touching custom that reason would not justify, were the liberality of Providence other than gratuitous.

For the discovery of these first principles we are indebted to Bastiat.

How little we have understood them, or do now understand or appreciate them, is lamentably evident in our present system of Taxation.

We seek by every means in our power, to make ‘the liberality of Providence other than gratuitous.’

We have been, at one time or another, taxing all the gratuitous services which He has rendered to us in the various and bountiful productions of Nature,—except air—many of these we still continue to tax.

We select for heaviest taxation those which are most needful for the poor, thereby making the tax most oppressive on those who are least able to bear it.

We justify this on the ground of necessity;—a good ground, if true.

But,—Is it true?

As already shown,—It is not true.

There never can be a necessity for us to baffle the designs of Providence.

And—Can the creature ever baffle the designs of the Creator?

We can make the attempt, and that we do in many ways, but never without bringing down misery—remediless misery and suffering—upon ourselves and others.

When we see clearly, in the laws of nature, the provisions of a merciful Providence for our welfare and comfort, we, as rational human beings, shall cease to frame our laws with a view to counteract those beneficent designs.

We shall think it wiser and better to make our laws,—as far as we can,—in concurrence with the Divine—

to declare that the gratuitous services of nature shall be free to all.

We shall see that the rights of property will thereby be in no way infringed.

We shall see the folly of attempting to benefit the few, by inflicting injury on the many.

We shall distinguish between Utility, and Value.

We shall take from Value when realised, and ascertained, and leave Utility free and undiminished.

Thus,—for example :—

Why tax the Ship?—the Utility, and Value—the utility (the Ship) an abstract,—and the value (the Ship) a concrete of man's efforts, or services, and, therefore of value.

Why tax the utility?

Why tax the efforts, or services, before the value has been ascertained?

Why not tax the value, when ascertained,—by the yearly profits when realised?

Why tax machinery, coals, crops, etc.?

Why not tax the value, when ascertained,—by the yearly profits, when realised?

Why tax utility, or the gratuitous services of nature?

Why tax man's efforts, or services?

Why not wait, and tax the value, when ascertained, by the profits, when realised?

Then the value is ascertained without question or dispute, without fraud or perjury.

All the *utilities*, and *services*, are producing value.

Diminish these, or any of them, by limitation or obstruction,—by impositions or restrictions,—and you annihilate, or prevent, or diminish,—value.

Tax the Ship, and you so far limit labor, diminish trade, and annihilate commerce.

Tax machinery, coal, crops, etc., and the tendency is, to starve the laborer, the artisan, the manufacturer, the merchant, the agriculturist—to undermine all the pro-

perty—to stop, or impede, all the sources of wealth,—in the kingdom. You have only to lay on the tax heavily enough. The amount of the tax cannot affect the principle.

It is through such injustice as this that such writers as Proudhon have found favor when, in their folly, they have exclaimed:—"La propriété c'est le vol!"—verifying the old proverb:—"One fool makes many."

But the worst folly is that which makes the greatest number of fools;—and that is the gigantic folly of all civilised Governments of the world!

As Adam Smith made value reside in matter, he could not conceive capital as existing otherwise than in an accumulation of material objects.

How, then,—as Bastiat asks,—can we attribute value to services not susceptible of being accumulated, or converted into capital?

Among the different descriptions of capital, we give the first place to tools, machines, instruments of labor.

They serve to make material forces co-operate in the work of production; and, attributing to these forces the faculty of creating value, people were led to imagine that instruments of labor, as such, were endowed with the same faculty, independently of any human services.

Thus, the spade, the plough, the steam-engine, were supposed to co-operate simultaneously with natural agents, and human forces, in creating not only utility but value also. Who, then, is to receive that portion of value which is independent of all human services?

The error of Proudhon, viewed scientifically, has its root in the prior error of Adam Smith. Capital, like natural agents, considered in itself, with reference to its own proper action, creates utility, but never creates value. The latter is essentially the fruit of a legitimate service. In the social order, capital is not an accumulation of material objects, depending on material dura-

bility, but an accumulation of *values*, that is to say, of *services*, and, in the business of exchange, there is nothing but a *mutuality of services*.

So Adam Smith and his disciples have assigned the principal value to labor under the condition of materiality.

Value must have reference to *effort*, a word more comprehensive, and therefore, preferable to labor.

But value can spring only from efforts exchanged—from reciprocal *services*; because value is not a thing having independent existence, but a relation.

The word, *service*, implies necessarily, the idea of transmission, for no service can be rendered which is not received. It implies also the idea of effort, without taking for granted that the value is proportionate.

To say that, value resides in labor, induces us to suppose that value and labor are proportional, and services are reciprocal measures of each other.

This is contrary to fact, and a definition, which is contrary to fact, must be defective.

The value may be estimated as much by the labor saved, as by the labor performed.

Ships, carriages, steam-engines, and other machines,—the instruments of labor,—are, like the soil, producers of *utility*. If that utility have value, it is paid for. The word, value, implies right to payment. But to whom is the payment made? To the proprietor of the machine, without doubt. Is it for a personal service? Then, say at once, that the value is in the service. But, if you say that it is necessary to make a payment first for the service, and a second payment for the utility produced by the machine, independently of the human action which has been already recompensed,—then, as Bastiat asks,—to whom does this second payment go, and how has the man, who has already been remunerated for all his services, a right to demand anything more?

The truth is, that the *utility*, which is produced by nature, is *gratuitous*,—and, therefore, *common*, like that produced by the instruments of labor.

It is *gratuitous*, and *common*, on the condition that we take the trouble—that we render the service—of appropriating it; or, if we give that trouble to, or, demand that service from, another, that we cede to him in return an *equivalent* service.

Thus, it will be seen, as Bastiat says,—*utility* is complex,—one part we owe to the action of nature, another to the action of man. With reference to a given result, the more nature has done, the less remains for human action to do.

The co-operation of nature is essentially *gratuitous*—the co-operation of man, whether intellectual, or muscular,—exchanged or not,—collective or solitary,—is essentially *onerous*, as the word, *effort*, implies.

As what is *gratuitous* cannot possess *value*, since the idea of value implies onerous acquisition, it follows that the notion of value would be erroneously conceived, if we were to extend it, in whole, or in part, to the gifts or to the co-operation of nature, instead of restricting it exclusively to human co-operation.

We are told that utility is the foundation of value, and as utility is inherent in the air, we are led to think that it is the same in regard to value. Here is an evident confusion of ideas. The value springs exclusively from the service rendered.

If, in laying down the principle, that utility is the foundation of value, the meaning be that, the service has value because it is useful to him who receives it, and pays for it, this is only a truism implied in the word, *service*.

But we must not confound the utility of the air, with the utility of the service. These are two utilities distinct from each other,—different in nature, different in

kind,—which bear no proportion to one another, and have no necessary relation.

There are circumstances in which, with very slight exertion, by rendering a very small service, or saving very little trouble, I may bring within reach of another an article of very great intrinsic utility. As in the case before mentioned, of the glass of water brought to the man dying of thirst. Or, in the case of the diving-bell, which furnishes air to the diver.

We must have a point of comparison, and that can only be in the *service* rendered in return. The reciprocal demands will depend on the relative situations, on the intensity of the desires, on the greater or less need, and on a multitude of circumstances which demonstrate that the value is in the service, since it increases with the service.

It is in the services thus compared, that value resides, and not at all in natural utility. The exertion may be more or less great;—that makes a difference in the value, not in the utility.

All this is so admirably summed up by Bastiat, that it is here given in his own words:—

“ Let us accustom ourselves to distinguish utility from value. Without this there can be no Economic Science. I give utterance to no paradox when I affirm that *utility* and value, so far from being identical, or even similar, are ideas opposed to one another.

“ Want, effort, satisfaction:—here we have man regarded in an Economic point of view. The relation of utility is with want, and satisfaction. The relation of value is with effort.

“ Utility is the good, which puts an end to the want by the satisfaction.

“ Value is the evil, for it springs from the obstacle which is interposed between the want and the satisfaction. But for these obstacles, there would have been no

effort either to make, or to exchange; utility would be infinite,—gratuitous and common, *without condition*, and the notion of value would never have entered into the world.

“In consequence of these obstacles, utility is gratuitous only on condition of efforts exchanged, which, when compared with each other, give rise to value. The more these obstacles give way before the liberality of nature, and the progress of science, the more does utility approximate to the state of being absolutely common and gratuitous, for the onerous condition, and consequently the *value*, diminish as the obstacles diminish.

“All that *serves* us is *useful*; and, in this respect, it is extremely doubtful whether there be anything in the universe (whether in the shape of forces or materials,) which is not useful to man.”

It would exceed the intended limits of this Work to apply these great truths in detail to the subject immediately under consideration. Our readers must, therefore, make the application for themselves. They will easily see how these truths confirm the views here set forth on the subject of Taxation.

These views were formed and made public by the Writer of these pages, many years before he had ever heard the name of Bastiat; but the value of the service which he has conferred upon mankind, or, to express it more correctly,—the utility of his gratuitous service to mankind, will render his name illustrious to all posterity.

We have here referred to his discoveries in Economic Science not because we consider them necessary for elucidating our views, for these are so simple as to require only to be plainly stated. We have referred to the truths so ably advanced by Bastiat, because these are in perfect accordance with, and confirm our views—because we would not ask any one to take and adopt

them on our authority alone—because we would have them taken and adopted on the highest authority—and because we would have those who are not yet acquainted, make themselves acquainted, with the writings of Bastiat, that they may see for themselves that the views which we have advocated are founded on the truths which he has so clearly brought into the pure light, and also see that, the acknowledgment of the one, is the admission of the other.

Many Financial Reformers think this a good answer to the question :—

“ What Is Value ? ”

And to those who still ask :—

“ Why Not Tax Ships ? ”

We can only answer—“ We cannot tell.”

But many Financial Reformers, who think these are good answers, say that it is premature, and useless to advocate these views, until we have obtained Reform in Parliament.

We do not agree with that opinion, and we will meet that question under its own proper head.

REFORM.

However much it is to be desired that the representation of the People in Parliament should be established on a broader basis, and that the purity of Elections should be preserved by means more efficient than the present ; still, it must, in truth, be admitted that, the popular cry for this reform is neither so loud, nor so well sustained, by the People at large, as might have been expected, considering the importance of the subject, and the necessity of the case.

This may be accounted for in two very different ways :—Either the People may be so well contented

with their present position as to desire no change ; or, they may be so dissatisfied, and so hopeless of any change for the better, as to be indifferent to all attempts at change.

In the former case, there can be no very urgent necessity for any change ; in the latter, the necessity for some change is most urgent.

If the People cannot see any certain improvement in their condition from Reform in Parliament, it is not much to be wondered at if they trouble themselves very little about it.

If those who are so eager for Reform in Parliament would have the concurrence of the People, and their active support, it is only reasonable that the People should know beforehand what share they are to have in the benefits from the change.

To expect the People, who are struggling for their subsistence, to take a very active part in another hard struggle, without telling them what they are to get by it if they succeed, is not quite reasonable.

If they be told that they are to get the purchasing power of their wages raised 50 per cent.—that for the same money they will have more than double the quantity of all the necessaries and comforts of life ; and further, that the money rate of wages will be raised throughout the country ;—that they will get 2½ pounds of Tea where they now get one pound—3½ pounds of Sugar, where they now get one pound—6 pounds of tobacco, where they now get one pound—a quart of good home-brewed Beer, where they now get half a pint of bad brewer's beer—a bottle of light wholesome Wine, where they now get a wine-glass of a heady and unwholesome mixture called Wine—pure Spirituous liquors, instead of spirits of wine diluted with poisonous compounds—that they will get all the necessaries, many of the comforts, and some of the

luxuries of life, in exchange for their labour and skill— if they be told all this, and if they believe it possible,— can any one doubt the spirit and determination with which they would enter into such a struggle?

The fact is, as well summed up by Mr. Bright, in the few but expressive words of his Letter of the 10th October, 1859, addressed to an Association of small householders in Birmingham:—"There is something essentially mean, and singularly cruel, in the manner in which the taxation of this country has been, and is still, levied. Our rich class is the richest in Europe; the administration of the country is in its hands, and a greater proportion of the heaviest taxation in the world is thrown upon the class possessing no property but its labor and its wages, than is the case in any other country."

This is the true state of the case, and, unless it be for the removal of this evil, it is difficult to convince the People that they have any immediate interest in the question of a Reform in Parliament. It must be a matter of the utmost indifference to them which political party is in power, if both parties be seeking power only for their own party purposes.

It is all very well to talk of extension of the franchise, and purity of election, and these are very good aims; but these are only means to an end; and, what is the end? The real question is in the Taxation of the Country. This is a question affording the broadest base for a great public movement,—involving a great public revolution, for a great public good. For this, when understood, a favorable expression of public opinion may be expected. Here is nothing to set class against class, but quite the contrary. The object is, to unite all classes in one common interest, for their common good. Their interests are now opposed, being brought into opposition by unjust and impolitic measures, which

lay the heaviest share of the burden of taxation on those who are least able to bear it. It is proposed to place the burden equally on all.

If the question be kept on this broad and distinct basis, there is every reason to expect that, in the end, reason and justice will prevail.

When the People understand the actual position of things—the evils, and the remedy—they will make the case their own.

They will take the remedy, which is, and always must be, in their power.

They will proclaim free labor, and free trade, and they will act up to that principle, by insisting that, it be carried out in practice. They will declare all labor, all trades, all professions, to be part of the stock in trade of the country, and, as such, free from all taxes.

They will abolish all indirect taxes, and substitute one sufficient direct tax on all properly taxable property, that is, when *realised*.

This is all that need be done, and when this is done, very few will concern themselves about Reform in Parliament, which, in truth, is but a means to this end. Whether this end will ever be accomplished without this means, is another and very doubtful question.

The necessary revenue of the State being taken directly and wholly from the realised property of the country, all other descriptions of property, and all labor and skill, would be free from any Government tax, or interference.

The freedom of labor and trade would then be a realised fact, instead of being, as it now is, a pernicious deception.

Our labor and trade being free, the demand for our manufactures, both for home and foreign consumption, would then increase so far beyond all past experience as to be beyond all present calculation.

The demand for labor would then be in proportion to that increase, and the rate of wages would increase in proportion to the demand.

The money value, or purchasing power, of wages would be raised to three times the present amount—*i.e.* the common laborer, with his half-crown a day, and the skilled workman, with his five shillings a day, would then be able to purchase three times more of the necessaries, the comforts, and the luxuries, of life, than they can now.

Nor could the rate of wages be thereby reduced, because (as already shown,) the rate of wages is not regulated by the price of provisions, but by the demand for labor.

The heaviest of the Local Rates—the Poor Rate—as before shown—would be diminished in proportion to the diminution of Pauperism throughout the country. The claimants on the Poor Rate would then be, the aged and infirm Poor, and the deserted and orphan children.

The heaviest of the County Rates would then be diminished in proportion to the diminution of misery and crime in town and country.

The moral consequences of this improvement (which would far outweigh the pecuniary) would be carried into every house and cottage in the kingdom, to the improvement—it is to be hoped—of every inmate.

Concurrent with the worldly prosperity of all classes—we may hope—would be the moral improvement in all classes.

The tendency must be, and the effect—we may hope—would be, to bring all classes more closely together, and to hold them together by the common bond of mutual interest.

The poor will always be with us, but they need not always be a great burden upon us.

The prosperity of a Nation consists in the united power of its People.

Union constitutes strength.

In this strength is safety.

The rights of the People acknowledged and respected, the People would then honor and respect the Aristocracy, as the Golden Pillar of the State, and the Monarchy would be upheld with honor by a united and devoted People,—the best and only safe defence.

With a suffering and discontented People, there can be no safety for the Monarch or the State.

There can be no security for the Ship which depends on its anchor, if the cable, which holds it in the storm, has a flaw in one link.

The weakest part of the chain is the strength of the whole.

The doctrine of peace has been proclaimed, but has never yet been practised.

No Peace Congress will ever avail, until mankind recognise in their hearts, and acknowledge in their dealings, the bond of mutual interest.

To deal freely, kindly, and honestly, with one another, would be a great step towards fulfilment of the Divine command,—“Love one another.”

It may well be doubted whether glass beads, knives, and hatchets, have not done more to introduce this Christian doctrine among the savage heathen, than all the labors of the missionaries.

The ground must be prepared before the seed can be well sown.

The plough must first turn up the soil to fertilise it, and prepare it for the seed.

Like unto this is the preparation of the human mind, for its cultivation.

The arts of civilisation cannot be planted to grow, without preparation.

If you would have Peace, you must prepare with Free Labor, and Free Trade.

We have seen what Free Labor means.

Now,—What does Free Trade mean?

This shall be shown under its own head.

[This is reprinted from the former Edition, before the last Reform, and would have been omitted here, but for Mr. Bright's Letter referred to, which is too good to be left out.]

WHAT IS FREE TRADE?

A radical antagonism exists between buyer and seller. The one desires that the article on sale should be rare and at a high price; the other desires abundance and a low price.

The law, which ought, at least, to be neuter, takes part with the seller against the buyer—with the producer against the consumer—or, for the dear against the cheap market—for scarcity against abundance.

The law, if not intentionally, at least logically, proceeds on this assumption:—A nation is rich when it wants everything. For, they say;—It is the producer that must be favored, in securing for him a good market for his produce. For *that* the price must be raised: to raise the price the supply must be restricted: to restrict the supply is to create the want.

Now, suppose that, at the present time, an exact inventory were taken, not in value, but in weight, measure, volume, quantity, of all the articles existing in the several nations of civilised Europe and America, necessary to satisfy the wants and the taste of the inhabitants,—such as corn, wine, viands, fabrics, linen, wool, silk, iron, coal, and other minerals, native and colonial, productions, manufactures, etc.

Suppose all obstacles to the introduction of foreign products into these countries suddenly removed. And, to appreciate the result of this change, suppose another inventory to be taken at the end of six months afterwards.

Is it not true that, in all these countries there would be found to be a great increase of many of these necessary articles in the second inventory? So true it is that all protection tariffs have no other end or object than to hinder the mutual exchange between nations of these necessary articles,—to limit the supply of them—to *prevent* cheapness and plenty.

Now, are the people better fed under the dominion of these laws because there is less bread, less food, less tea and sugar, and less of other necessities of life in the country? Are they better clothed because there is less cloth, less linen, woollen, and silken fabrics? Are they better warmed because there is less coal? Are they better helped in their labours because there is less iron, tin, copper?—because there is less supply of tools and machinery?

But, says the Protectionist;—the foreigner—if he *inundate* us with his products,—will carry away our money.

What if he do?

Man is not fed with money;—he is not clothed with gold, nor warmed with silver. What matter, whether there be more or less of money in the country, if there be more bread in the cupboard, more meat in the larder, more linen in the press, and more coal and wood in the cellar?

Thus, the advocate of restrictive laws is reduced to this dilemma:—Either he admits that he causes a want of the most necessary things of life; or, he does not admit it. If he admit it, that is an avowal that he commits the greatest evil which it is possible for him to commit against the people. If he do not admit it, then he denies that he has limited the supply, raised the price, and, consequently, he denies that he has favored the home producer. He is, therefore, unfortunate or inefficient. He cannot be useful.

Now, what was the state of the British Parliament

when the *restrictive*, or *protective*, system was in full force in this country? One branch was entirely composed, as it still is, of agriculturists. The other principally of agriculturists, and their nominees; as well as great manufacturers, great merchants, great ship-owners, and great producers of all sorts. It was entirely a Parliament of Sellers, a vast, close, and corrupt combination. The great body of the people, *i.e.* the consumers, had scarcely any influence whatever in the House of Commons. The sellers had a complete monopoly of law-making, and their legislation was exactly what might have been expected. All the producers in turn were permitted, for their own benefit, to plunder the public. It was nothing less than a gigantic conspiracy of all the sellers, against all the buyers.

Happily, this state of things was, in a great measure abolished at last in this country. But not until the buyers had become so powerful and clamorous that their just demands could be no longer safely disregarded; and then, the change of system,—originated and forced into the public conviction by Richard Cobden,—was partially carried into effect by Sir Robert Peel, who, through his long previous political career, had been the prime mover and supporter of the old iniquitous system. But, with the other nations of Europe, where the liberty to misgovern is the principal liberty permitted, this old iniquitous system still prevails.

As Bastiat, in his "*Sophismes Economiques*," has said:—

Mankind have an immoderate love of the enjoyments, the influence, the consideration, the power—in a word, of riches. At the same time they are impelled by an immense inclination to procure these at the expense of others. But those others, which are the public, have no less great inclination to guard what they have acquired, provided they can do it, and they know it.

Spoliation, which has played so great a part in the affairs of the world, has only two agents,—force and guile ; and two limits—courage and skill.

Force, applied to spoliation, makes the foundation of the annals of mankind. To retrace it in history, is to reproduce almost the whole history of all people : Assyrians, Babylonians, Medes, Persians, Egyptians, Greeks, Romans, Goths, Franks, Huns, Turks, Arabs, Mongols, Tartars, without counting that of the Spaniards in America, the English in India, the French in Africa, the Russians in Asia, etc.—But, at least, among the civilised nations, the people who produce the riches are become sufficiently numerous, and sufficiently strong, to defend them. Does that mean that they are not despoiled? By no means. They are still despoiled as much as ever ; and what is more, they despoil each other.

Only the agent is changed ; it is no more by force :—it is by guile they seize the public wealth. To rob the public, it is necessary to deceive them. To deceive them it is necessary to persuade them that the robbery is for their advantage ; it is to make them accept, in exchange for their goods, fictitious services, and often worse. Thence, sophistry, — sophistry theocratical, sophistry economical, sophistry political, sophistry financial. Then, since force is held in check, sophistry is not only an evil, but it is the genius of evil. It is necessary to hold it in check in its turn. “ *Et, pour cela,*”—to use the words of Bastiat,—“ *il faut rendre le public plus FIN que les fins, comme il est devenu plus FORT que les forts.*”

On the subject of commercial policy, nations seem determined to exhaust every modification of folly and absurdity, before they finally arrive at the simple and cardinal rule which the French merchants announced to Colbert, more than a century and a half ago, when he asked their advice and opinion, how he could best promote commerce,—“ *Laissez-nous faire :*”—“ LET US

ALONE ;"—before they have faith in the simple truism that,—men have generally the intelligence to discover and act for their own interests, far better than any government can do it for them.

Benjamin Franklin, when enforcing the maxim—'*Pas trop gouverner*,'—quotes this well-known answer of the merchants to Colbert,—and adds:—"It were to be wished that commerce was as free between all the nations of the world, as it is between the several counties of England: so would all, by mutual communication, obtain more enjoyments. Those counties do not ruin one another by trade; neither would the nations. No nation was ever ruined by trade; even seeming the most disadvantageous. Wherever desirable superfluities are imported, industry is excited; and therefore plenty is produced. Were only necessities permitted to be purchased, men would work no more than was necessary for that purpose."

What can exceed in folly and absurdity the present system? At a time when all the genius and science of the world are occupied in seeking to economise the means of transport,—at a time when, to realise these economics, the mountains are removed, the valleys are filled up, and the roads are levelled;—when the steam-boats are brought to perfection;—when, from all the great cities and towns, the iron roads radiate in every direction; at the very time when it might be supposed that all are seeking with ardor and sincerity the solution of this problem:—"How to make the price of things at the place of consumption approach as nearly as possible to the price of the same at the place of production"—is it not wonderful that the same people unite to defeat this object, by raising up other and artificial barriers?

Now, for an example, and to avoid the prejudice of local interests, take the case of our neighbors on the

Continent, in France and Belgium. This is the case given by Bastiat, in his "Economic Sophisms."

Why is the cost of an article manufactured at Brussels, for example, dearer when it arrives at Paris?

It is not difficult to see that this arises from obstacles of different kinds which exist between Paris and Brussels; that these cannot be overcome without loss of labor, and loss of time; and that they must submit to these losses, or pay others for submitting to them. Rivers, marshes, mountains, rocks, earth, and mud, are some of the difficulties to be surmounted. This is accomplished by constructing roads, building bridges, piercing tunnels, and diminishing resistance by iron lines, etc.—But all this costs money, and the article transported must pay its share of the cost. There are thieves by the way, and this requires a gendarmerie, a police, etc.

Now, among these obstacles, there is one which our neighbors themselves have raised at a great expense, between Brussels and Paris. There are men in ambuscade along the frontier, armed to the teeth, and charged to oppose difficulties to the transport of goods from one country to the other. These are called, '*Douaniers*.' They act exactly in the same way as mud and ruts. They retard and shackle. They contribute to the difference before noticed, between the price of production, and the price of consumption—a difference which it is our problem to reduce to the utmost possible.

And here is the problem solved:—Remove the tariff, or, at least, diminish it. You will then have made the Railway of the North without its having cost you anything. Moreover, you will save the heavy expenses, and you will begin from the first day to draw your capital into your pocket.

Truly, it is wonderful that it should enter into the heads of our neighbors to spend so many millions to remove natural obstacles which interpose between France and

the foreigner, and at the same time to pay so many other millions to substitute artificial obstacles which have exactly the same effects, so that the obstacle created, and the obstacle destroyed, neutralise themselves: the things go as before, and the result of the operation is, a double expense.

A Belgian product is worth at Brussels 20 francs, and, delivered at Paris, 30 francs, because of the expenses of transport. The same product of Parisian industry is worth 40 francs.

What do they do?

First, they put a duty of, at least, 10 francs upon the Belgian product, in order to lift up the price at Paris to 40 francs; and they pay a number of servants to take care that it does not escape the duty; so that, in its course, it is charged 10 francs for the transport, and 10 francs for the tax. That done, they reason thus:—This transport, from Brussels to Paris, which costs 10 francs, is very dear. Let us spend two or three hundred millions of francs on a railway, and we shall reduce it half. Evidently, all that they would have gained would be that, the Belgian product would be sold at Paris for 35 francs, that is to say:—

Price at Brussels	20 francs.
Duty	10 „
Carriage, reduced by the railway	5 „
<hr/>	
Total, or Price of Deposit at Paris.....	35 francs.
<hr/>	

Now, would they not have attained the same result by lowering the tariff to 5 francs? The account would then stand thus:—

Price at Brussels	20 francs.
Duty reduced	5 „
Carriage by the ordinary road	10 „
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Total, or Price of Deposit at Paris	35 francs.
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And this last proceeding would have spared 200 millions of francs, the cost of the Railway, over and above the expenses of the Custom-house Officers, for these ought to diminish in proportion to the removal of temptations to smuggling.

But, say our neighbors, the duty is necessary for the protection of Parisian industry. Be it so. But, then, do not destroy the effect of your own railway. For, if you persist in wishing the Belgian product should mount, like that of Paris, to 40 francs, you should raise your duty to 15 francs, and the account would then stand thus:—

Price at Brussels	20 francs.
Protection Duty	15 „
Carriage by the Railway.....	5 „
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Total Price, equalised.....	40 francs.
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But, then, what is the use of the Railway?

Now, suppose the Railway made, and all other obstacles removed; and, then, suppose the same question asked:—What is the use of the Railway?

Is it not something humiliating for the 19th century to be preparing for future ages such practical puerilities as these, with imperturbable gravity?

To be the dupe of another is far from pleasant, but to employ the vast machinery of representation to dupe oneself, and to dupe oneself doubly, and in an affair of simple numeration, here is something to beat down a little the pride of this *enlightened age*!

And this is what all the civilised nations of the world are doing to themselves and to others! Doing to others as they do to themselves—but not intending it. All dupes and victims! What a picture of civilisation! How hopeful! How encouraging!

But we are beginning to see that, in the carriage of

goods, that which renders the transport onerous, acts in the sense of protection ; or, to turn the sentence, if preferred,—that protection acts in the sense of all that which renders the transport onerous.

It is, then, true to say that, a tariff is a marsh, a mud-rut, a rough declivity ;—in a word, an *obstacle*, the effect of which is, to augment the difference of price of consumption, to the price of production. It is even incontrovertible that a marsh, a quagmire, etc., are true protection tariffs.

There are some persons (a small number, it is true, but there are some) who begin to comprehend that obstacles, though artificial, are not less obstacles ; and that our well-being has more to gain from liberty than from protection, precisely for the same reason which makes a canal, or a railway, more favorable than a deep sandy road. “But”—say they—“it is essential that this liberty should be reciprocal.”

They say—“If we lower our barriers before France, without France lowering before us, evidently we shall be the dupes. Let us, therefore, make *treaties of commerce* upon the basis of just reciprocity—let us concede, that they may concede to us—let us make the sacrifice of buying, to gain the advantage of selling.”

The persons who reason thus, whether they know it, or not, advocate the principle of protection, only they are a little more inconsequential than the pure protectionists, as these are more inconsequential than the absolute prohibitionists.

But the truth is that, all the selfish passions, which other controversies call forth, are at work here. All the devices and stratagems of party warfare are in requisition in the 19th century, as in the 9th, and may serve to show to all men how little love they have for one another.

Most men see evils in change, especially if it seem

likely to affect themselves prejudicially, and they do not see the good to others. They do not see that there must be a compensation for every evil in God's universe: that all things must work together for good to them that love Him. That which affects a society for good or for evil, must affect every member of it for good or for evil.

The very test of the difference between one member of it and another, is the use which he makes of this great law of Nature,—the interpretation which he puts upon it,—the earnestness with which he lays it to his heart as a message and a law to himself.

Assuredly it is no contradiction of the Great Teacher,—it does not jar with any conception which we receive from Him, to say that, though on earth we may fancy ourselves under a law of selfishness—though here we may act as if we had no ties and relationships to those who surround us,—when we close our eyes on the things with which they have been familiar, we pass into a region where it will be impossible any longer to think that we can escape from that Divine Law of Love which binds man to man—which binds earth and heaven together.

Free Trade has been reproachfully termed a theory. But the truth is that, there is much more theory about the doctrine of Protection, than about Free Trade. Free Trade is the state of Nature. Protection is an attempt to make things better than Nature made them.

Free Trade existed before Protection, and will, probably, exist after it. The burden of proof lies not on those who advocate letting people alone to manage their own affairs, but on those who advocate an interference with them by the State. The arguments by which men attempt to do this constitute the theory of Protection.

THE OBJECTIONS OF MR. NEWMARCH ANSWERED.

Financial Reformers regret to find an opponent, instead of an advocate, in one whose name is so honorably associated with that of the late Mr. Tooke.

Mr. Newmarch, who presided over the Economic Science and Statistics Section of the British Association at Manchester, 9th September 1861, condemned the principle of DIRECT Taxation as unsound, and inapplicable to this country.

He appeared to preside over that meeting not so much for receiving the opinions of others, as for expounding his own views ;—not so much for promoting inquiry, as for suppressing it.

Mr. Newmarch, in the early part of his speech,—as reported in the ‘Times’ newspaper,—said :—“There was a great difference, for instance, between a country like our own, where the great mass of the population were dependent upon wages earned from trades of the most varied kind, and a country like France, where the great mass of the population were dependent upon the occupation of the land, that land, to a great extent, being their own property.

“There was a very broad and marked distinction between the two cases ; for a system of taxation which might be wise and prudent as regarded ourselves, would not be a good system as regarded France, and *vice versa*.”

Why not ? or, in what cases not ?

The land of France is taxed, as property, to the many holders of it in small quantities ; why should not the land of England be as heavily taxed per square mile, to the fewer holders of it in large quantities ?

The mass of the people in France are landowners.

The mass of the people in England are dependent on Wages.

Why, then, are the mass of the people in England to be taxed upon their pairs of hands, that those who hold the land may hold it lightly taxed?

Mr. Newmarch then went on to comment on what he called the three leading theories, which had been put forth at different times, by men of various degrees of eminence. "But he was bound to tell them (his audience) that none of those opinions would carry them very far in solving the difficulties they had to encounter. As to paying in proportion to the protection received, they would very soon find themselves arrested by a class of cases with which they could not deal. The protection *must be* measured either on *the basis of what a man saved; or, what he spent.*"

Why must it?

We say, a man should be taxed on the basis of the property of which he is an owner.

If John's Uncle leave him property worth £1000, and John be taxed on it, he is not taxed on what he spends, nor on what he saves; unless Mr. Newmarch means, by what he saves,—what he in any way owns,—which his illustrations do not seem to show.

Then, again:—What does Mr. Newmarch mean by the word,—to *spend*?

His illustration would show that it means with him,—to waste, or annihilate income,—to give it for that which cannot remain with one as capital. As if a man were to give his income for fire-works, and explode them. Who in the world could want State protection for such a non-entity as wilfully lost wealth, after it is lost? If a man spend his income in the form of money for permanent goods, he remains, as regards property, *in statu quo*.

Thus, Mr. Newmarch proceeds, and he gives this illustration:—

“ Taking it on what was spent, three cases, not uncommon, started up : A, having £1000 a year for ten years, spent the whole of it. B, having the same income, spent £100 a year, and saved £900. C, having the same income, spent in ten years £1000 out of his capital, as well as his income. Now, if these men were taxed according to what they spent in the first year, B. would pay one-tenth as much as A, and would receive twenty times as much protection. On the other hand, C. would pay each year ten times as much as B, and in ten years would be a beggar ; whilst B. would have amassed a fortune.”

Such is Mr. Newmarch’s reasoning, and here is his illustration again :—

“ Measuring the protection according to what a man saved, they had these difficulties :—A. would have a house and premises ten times larger than B, and pay no tax whatever, because he saved nothing : B. would pay ten times more than A, because he had nine times more capital accumulated ; and C. would be worse off than A, as in the ten years his income would wholly cease, and whilst A. paid no tax, C. would have been mulcted of a large part of his temporary and expiring revenue. So much for basing taxation on the measure of protection afforded.”

The answer to this may be given shortly in another illustration :—If A. had a large house of his own, he should be taxed for it, B. would be taxed more and more on his increasing property ; and C. less and less on his decreasing property. B. would be taxed highly as rich, and C. lowly as poor. Would there be a greater wrong to B, in this case, than there is to the industrious man from the Income Tax, against which Mr. Newmarch makes no objection ?

If A. and B. are men of the same business, in which each has won an income of £1000 a year ; and then,

for three years, while A. continues a good careful man, B. becomes a worthless rake, and earns nothing, the Income Tax is remitted to B. as a bad citizen, and claimed from A. as a good one!

If a Property Tax be bad, how is an Income Tax good?

Mr. Newmarch thinks that a Property Tax, increasing in ratio with increased amounts of wealth, is the most objectionable and hazardous, inasmuch as it discourages the man who is industrious and frugal, etc.

But here are his own words:—

“The second plan, that of taxing a man progressively according to the amount of his income or property, seemed to him (Mr. Newmarch) the most objectionable and hazardous of all the schemes suggested as the basis of fiscal legislation,—insomuch as it discouraged the man who was virtuous and frugal, and conferring the greatest possible benefit by adding year by year to the accumulated wealth of the country.”

Does not a tax on labor equally discourage the laborer?

Still, if the working man win only £40 a year, his income tax is zero.

If he win £100 a year, his tax is something—call it x .

Does this known fact hinder men from trying to make £100 a year, or from taking an office of a high, and, therefore, a taxed salary? And if a man be not wholly discouraged from winning a higher income by the fact that he will thereby raise his taxation from o to x , why should he be more discouraged from making capital by the fact that he may thereby increase his taxation from x to $x + n$?

A tax on earnings, or on property, may be discouraging to the laborer for wealth, but we should feel it a greater hardship to have taken from us by the tax-gatherer, a tenth of our half-year's earnings, than of our half-year's rent.

Mr. Newmarch then proceeds to say :—

“ It was no part of the business of the legislature to interfere with varieties of personal fortune. Whether a man was rich, or poor—whether he was eminent, or lived in obscurity—these circumstances were regulated by a higher power, and were circumstances which a wise legislature would not do more than recognise, but would not interfere with.”

Indeed ! Why, then, does the assessor now compel a man to tell him what income he has from Schedule A. and B. and every other source ?

Mr. Newmarch then went on to declare that, the plan of placing the whole taxation of the country on realised property, seemed to him subversive of some of the most fundamental rules which applied to men in society.”

And then, by way of reasoning in support of his opinion, he adds :—

“ In a great mass of cases, the property people possessed had been fairly earned, and he confessed that, so far, he had not heard, and should be very much surprised if he did hear, any valid reason why the expense of conducting the affairs of the community should be borne by a class of that sort.”

So have wages been fairly earned.

Who ever proposed that “ *the whole* expense should be borne by a class of that sort ” ?

Mr. Newmarch then proceeded to take an off-hand sort of review of the existing taxes, which he classified in his own way, taking “ something like nine millions, under the head of Customs,” as taxes on extravagance, viz.—“ spirits, tobacco, and wine, which, by the general admission of financial writers, were regarded as the fairest subjects of taxation ; some of them being matters of superfluity and extravagance, and some objects of consumption which it was not desirable to extend. None

of them would like to see the revenue from spirits diminished."

Yes!—some of them would.

"There were first, *moderate duties on tea*, coffee and sugar, 13 millions. He called these taxes moderate, as contra-distinguished from excessive."

Let Mr. Newmarch define *moderate* and *excessive*.

"When the duty on sugar was 40s. per cwt. that was a tax of the worst possible description, because it interfered with the wholesale and retail trades; but a duty of 10s. per cwt., could not be called excessive."

If 40s. be an evil, we should think 10s. an evil of at least one-fourth of its measure. It would be a curious proportion that—If 40 = something, then 10 = nothing!

Mr. Newmarch wants to see the tax on licences repealed, and the duty on malt and Fire Insurances reduced.

How would he make up the deficiency arising from their abolition?

By a tax on men's labor, or their property?

In conclusion, Mr. Newmarch said that, "in the matter of taxation there was no room for sentiment. The first condition was, justice to all classes alike, without distinction of rank or condition, rich or poor."

"Justice to all classes." Just so.

What is justice to all classes?

"No room for sentiment." Justice.

What is a sense of justice, but a sentiment?

It is as much a sentiment to feel that a rich man's property should not be heavily taxed, as that a poor woman's tea should not be heavily taxed.

Mr. Newmarch gives few definitions, or rather, none; and more opinion than reasoning.

He talks of taxes on extravagance without defining extravagance.

In goods, strong drinks are extravagant to teetallers; animal food to vegetarians; fine black cloth to wearers of wadmel; and silk to women content with cotton.

Mr. Newmarch seems to have taken advantage of his position as President of the Section, to dogmatise without reasoning,—nay, against both reason and fact;—in short,—to have dealt unfairly with his subject, as he did with his opponents.

INCOME AND PROPERTY TAX.

DUNCAN MACLAREN, ESQ. M.P.

This intelligent Gentleman, an eminent merchant at and M.P. for Edinburgh, whose opinion has been before referred to, has expressed his views on this subject in a Report to The Edinburgh Chamber of Commerce, proposing “A Just and Simple Mode of Laying On The Income and Property Tax;” and this was adopted by the Chamber as their Report, on 5th February, 1862.

Mr. Maclaren speaks well of the injustice of the Income Tax as it now stands.

He says that, it is not, as it is called, a tax on property, and that, it is unfair as taxing alike two kinds of income, which, as taxable property, are very unlike,—income from real property, and income from labor.

But the same form of syllogism which would show the present Income Tax to be unfair, would show that Mr. Maclaren’s scheme of taxation would perpetuate in some form, the injustice he seeks to cast out.

For instance :—Taxable property of unlike kinds, as such, should not be taxed alike.

But income from real property, and income from labor, are of unlike kinds.

Therefore, they should not be taxed alike.

Now, for a syllogism of the same form *against* Mr. Maclaren's taxation.

Taxable property of unlike kinds should not be taxed alike.

But Property which yields Income, and the Income which it yields, are of unlike kinds.

Therefore, they should not be taxed alike.

The injustice of the equal taxation of income from property, and property itself, will show itself in a case such as that—

A. has a real property of £1000, which yields him an income of £50 a year, from the labor of others, as in Rent.

Then, let t represent the taxation of a pound under Mr. Maclaren's scheme, and A. will pay, as his tax, £1050 t .

Now, let B. have a property of £1000, as a capital, or stock in trade, and by working his property himself, let him make a yearly income of £150.

Then he will pay, as his tax, £1150 t , or £100 more than A.

For what?

For his labor only.

Here, then, is still the unfair taxation of labor.

If this show Mr. Maclaren's scheme to be bad, there is no need of taking up for refutation the details of it.

A friend of the Author,—and there is no reason why he should not here mention his name—The Rev. William Barnes, Rector of Came, 'The Dorsetshire Poet,'—*par excellence*—has so ably illustrated the Author's own views on this part of the subject, in a private Letter to him, that he has asked and obtained leave of his reverend and learned friend to give it in his own words, as the best answer which can be given, in a few words, to Mr. Maclaren, and many others.

“ I should divide property,—(quod proprium sit) into two triads, of three kinds each, and, therefore, into six kinds, each taxed in its income (or *fructus*) one ratio lower than the former one.

“ To afford a one-sight glimpse of my meaning, I will write out six formulæ for the six kinds of property, and afterwards unfold the meaning of them.

FIRST TRIAD.

1. Property yielding income from (B.).
2. Property yielding income from (B. + A.).
3. Property yielding income from (A.).

SECOND TRIAD.

1. Ownership yielding income from (B.).
2. Ownership yielding income from (B. + A.).
3. Ownership yielding income from (A.).

“ Now, ‘ *Property*,’ in the first Triad means alienable property that outlasts the life of the owner.

“ And ‘ *Ownership*,’ in the other Triad means property which is not alienable property, but some source of income that ends with the owner’s life.

“ (B.) means the hired labor of others than the owner.

“ (A.) means the labor of the owner.

Then,—FIRST TRIAD.

(1.) Property yielding income from B., is property yielding income by the labor of others;—as land, or railway shares.

(2.) Property yielding income from B. + A., is property yielding income by the labor of the owner and others;—as Farm-stock, yielding income by the labor of the owner and hired workmen.

(3.) Property yielding income from A., is property yielding income by the labor only of the owner ;—as the horse and cart, or waggon, of a carrier, or the machine of a razor-grinder.

Then,—SECOND TRIAD.

(1.) Ownership yielding income from B., unalienable and life-long property,—yielding income by the labor of others than the owner ;—as the grant of a pension from Government.

(2.) Ownership yielding income from B. + A., unalienable and life-long property, yielding income by the labor of the owner, and of others ;—as a Church-living.

(3.) Ownership yielding income from A.,—unalienable property yielding income only from the labor of the owner ;—as a life-right to fish with one's own hands in a certain water, or to kill rabbits in a certain warren.

“It may seem that the 2nd case is the same as this third. But, no. A Clergyman's tithes must be paid to the Clergyman from the labor of the Parish, whether he work like St. Paul, or work only on the Sunday.

“The reason why property yielding income by the labor of others should be more highly taxed than that which yields income only by the labor of the owner is, that it leaves him his whole time to win other income ; whereas, the 3rd kind of property takes up its owner's time in the winning of its *fructus*.

“I should, therefore, tax these 6 kinds of property by 6 ratios of taxation,—such as :—

1. T.

2. T.— n

3. T.— $2n$

4. T.—3*n*5. T.—4*n*6. T.—5*n*.”

The Author agrees with his friend in his premises, and his reasoning thereon; but not in his conclusion.

The Author, however, cannot dismiss his reverend and learned friend, without claiming some credit for his own candor, in thus setting forth the most specious argument he has ever seen against his own views; though some malicious readers may think that he has been less influenced by *candor*, than by a secret satisfaction at the *coup de grâce* here given to Mr. Duncan Maclaren.

But the Author understands his reverend friend's “6 ratios of taxation,” to mean that, he would tax incomes by a sliding, or graduated, scale; *i.e.* a small tax for incomes earned by the taxpayer's own labor,—a larger tax for incomes won only partly by the taxpayer's labor,—and the largest tax for incomes won for him by the labor of others.

It is much to be feared that taxation, so regulated, would practically destroy relative proportion, and that would be a fatal error.

These few last words are all that need be said in answer to a large class of objectors.

JOHN GELLIBRAND HUBBARD, ESQ., M.P.

Mr. Hubbard was another, and one of the most famous of the dissentients to the Income Tax. He was then a Member of Parliament, and Chairman of the Select Committee of the House of Commons on Income and Property Tax, obtained on his Motion, in 1861. Moved by a laudable desire to remove some of the defects of the existing Income Tax Act, he obtained—what he asked for—an Inquiry. That inquiry showed

very plainly,—what everybody knew before,—the monstrous inconsistencies, and other defects, of this Act; but he totally failed in his object of showing the remedy, or, even anything in mitigation of the real evil, and he established,—what many knew before,—that the great evil and defects are incident to, and inseparable from, a Tax on Income.

Mr. Hubbard says:—"It is important to keep in view that, substituted in 1842 for taxes levied on articles of general consumption, the Income Tax has thus far assumed the character of a tax of compensation."

Why should this be kept in view, in the seeking of a just and equal form of taxation?

Taxes on food, for instance, might have been so far abolished, as being bad because unequal, and unjust as exacted from the wrong persons. It does not follow that a tax instead of it must fall directly on the same persons.

Again, Mr. Hubbard says:—

"Adam Smith's axiom,—'The subjects of every State ought to contribute towards the support of the government as nearly as possible in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the State,' must be taken as the test of the true policy of taxation."

In proportion to *abilities*, that is, in proportion to *revenue*;—says Adam Smith;—and so says Mr. Hubbard.

But these are two different positions.

What does Mr. Hubbard mean by revenue?

"Ce qui revient à un homme;"—but whence? From property, or labor?

If from property only,—Mr. Hubbard advocates a Property Tax.

If from labor, whence did Mr. Hubbard get his meaning of *revenue*?

From Adam Smith?

The word '*revenue*' does not usually mean *Wages*, or *profits of trade*, though Mr. Hubbard seems to apply it to these forms of income.

Mr. Hubbard speaks well of definitions when he says:—"In this, as in many other questions, the controversy would be soon concluded if the disputants were agreed in their definitions. The subject of our consideration is an "INCOME" Tax. What is "Income" for the purpose of taxation? Not, assuredly, all that *comes in* to a man's possession in the course of a year. The income for which men may be taxed is, as Adam Smith says, "the revenue which they enjoy," or, in other words, the net income available for expenditure."

Most men understand this distinction between gross and net income.

But does Mr. Hubbard mean to say that, "the net income available for expenditure is properly subject to taxation?"

Again;—Mr Hubbard says:—"The existing tax is "called the Property and Income Tax." Why it is so called is not apparent. It does truly, in many instances, tax both property and the income arising from that property, but it is not probable that to declare the special vice of the tax was the intention of its double name. Obviously, however, the same tax should not be a Property and Income Tax; and while a tax on the transfer of property may rightly be a Property Tax, occurring as it would at intervals of many years, so an annual tax necessarily payable out of income should be an Income Tax."

Certainly, it does not seem very apparent that, while it taxes a working man with no property, as heavily as it taxes his neighbour with £2000 worth of property, it can be called a Property Tax.

Again ;—"The fact that the Income Tax, as a tax of compensation—substituted (that is) for taxes which, attaching to articles of general consumption, affected alike (to the extent of their expenditure) the owners of property incomes and the owners of industrial incomes—is *conclusive* in establishing the liability of the latter to taxation within the specified limits."

We deny that it is at all conclusive. What ! because a laborer is, or was, taxed, by indirect taxation, in food and clothing,—therefore, he must be taxed also by an income or property tax !

An amended form of taxation, forsooth, must reach the same classes and men, as a vicious form of it reached !

Ergo, any tax which Richard II. might have imposed, instead of the Poll tax, must have fallen on every wight above 15 years old !

And, on the other hand, the tax which now bears the burden which was borne by the old ship-money, the cost of the navy, should be confined to inhabitants of sea-ports !

Again ;—Mr. Hubbard says :—"I am far from hoping that an Income Tax can ever be free from objections ; the necessity of relying upon the co-operation of the tax-payers in the assessment of industrial incomes is a very grievous one, for the temptation to dishonesty must work evil, and the revision is proposed not so much with a view to the perpetuity of the tax, as to qualify it for its office when it is indispensable, by a very decided mitigation both of its corrupting influence and its unjust and unequal incidence. If this object be a desirable one, we must be content, for the sake of the great majority of cases which will obtain substantial justice, to tolerate some unimportant anomalies, and apparent inconsistencies."

Very Good. But cease to tax industrial incomes, and

then you get rid of "the necessity of relying upon the co-operation of the tax-payers," and you also get rid of "the very grievous temptation to dishonesty."

Again;—Mr. Hubbard says:—"Tithe rent-charge, with cure of souls, I have treated as an income contingent on a duty performed, and as the remuneration for that duty, I propose a specific allowance of £100."

This is property, acquired partly through the owner's own labor, and partly through the labor of others, and, as such, is taxable. As our reverend friend would say:—Property yielding income from the labor of the owner and others;—property of his second kind. So, —Mr. Hubbard finds himself driven to a Property Tax.

Again, he says:—

"Tithes, or commuted tithes, legally assessable in the hands of the payers, may, for convenience sake, be taxed in the possession of the receiver. The characteristic of all these incomes is that, consequent on the possession of the property from which they arise, they accrue spontaneously, and require no exercise of labor on the part of the owners."

Good grounds for a Property Tax, as our reverend friend would say;—Property yielding income from the labor of others;—property of his first kind.

Again;—Mr. Hubbard says:—"In the second class I place incomes derived from the profits accruing from trades and professions, and for the purpose of assessment it is necessary to ascertain what proportion of such profits passes into the character of income, available for expenditure, and so far taxable."

We say that, there is no such necessity, and that it is impossible, and, if possible, inexpedient.

We say that, the whole "of such profits passes into the character of income, available for expenditure," and that no part is "taxable."

Again:—"Whether these profits are the receipts of the professional man, whose capital is in his cultivated knowledge—those of the trader whose capital is in his goods—or those of the manufacturer whose capital is in his machinery—the same essential feature characterises them. The labor of these men is an indispensable element in the production of their profits; ability to labor is dependent upon life and health; their profits are, consequently, precarious; and in obedience to the suggestions of prudence, the owners of industrial and precarious profits apply a portion only of those profits as income to the purpose of expenditure. The residue of those profits passes into the character of capital, and, as capital, yields in the following year products for taxation."

These are good reasons for not taxing income, as such.

The suggestions of prudence often oblige the owners of industrial and precarious profits to apply the whole of those profits as income to the purpose of expenditure.

How does Mr. Hubbard know that,—“the residue of those profits passes into the character of capital, and, as capital, yields in the following year products for taxation”?

The suggestions of prudence more often oblige the owners of industrial and precarious profits to apply the residue of one year to make up the deficiency of another year.

Mr. Hubbard's reasoning seems fallacious for his object, but he is on a right scent to a Property Tax.

Mr. Hubbard then goes into facts, and after perplexing himself, and every one else, with his reasoning thereon, he comes to the following conclusion:—

“Undoubtedly, the elements of the trading and professional profits are not identical; but I am not prepared to indicate either a separate principle of treatment, or to affirm that it would be practicable always to dis-

tinguish *professions* from *trades*, or to obtain from traders the amounts of their capital in trade which would be requisite for the separate assessment of the annual value of their capital, and of the gains created by labor apart from capital."

Hic opus est. Here are the plaguy difficulties of the Income tax. But none of these difficulties would arise in the proposed Property tax.

Mr. Hubbard advocates an Income tax on the fruits of labor as well as of property; and while his scheme is fairer than that under which we are now taxed, it is fairer only as it approaches the grounds of a Property tax, and falls less heavily on labor.

But is it advisable to make it fairer, and to leave it still so unfair?

Mr. Hubbard in conclusion says:—"Occupying the debateable ground at which skilled labor commences, Industrial Incomes, varying from £100 to £150, may in that view be allowed to retain the concession awarded to them by the present Act, of being charged more lightly than Incomes exceeding £150. At what amount the assessment of First Class Incomes should commence, and whether those of small amount should receive any concession, are questions of which the decision of the Committee may be guided by the evidence to be heard, and upon which I therefore forbear an opinion."

This does not seem to agree fully with Mr. Hubbard's remark at the commencement, where he says:—"It is important to keep in view that, substituted in 1842 for taxes levied on articles of general consumption, the Income Tax has thus far assumed the character of a tax of compensation."

Such are the few remarks which it seems necessary to make on the "MEMORANDUM SUBMITTED BY THE CHAIRMAN," Mr. Hubbard, to the "Select Committee on the Property and Income Tax."

WILLIAM FARR, ESQ., F.R.S.

Mr. Farr is a great authority, and his opinions are entitled to very respectful attention.

He was examined as a witness before Mr. Hume's "Select Committee of the House of Commons on the Income and Property Tax," in 1852; and before Mr. Hubbard's "Select Committee of the House of Commons on Property and Income Tax," in 1861.

Mr. Farr seems to hold that taxes are due to Government for *Protection* only.

Mr. John Stuart Mill,—at least an equal authority,—says [No. 5423 of Mr. Hume's Committee]:—

"I do not think *protection* the proper test by which to determine the proportional amount of taxation to be paid by different persons.

"It seems to me to have nothing definite in it. It is not possible to say that one person derives more benefit than another from the protection of the Government;—it is necessary for all."

Mr. Mill expressed the same opinion before Mr. Hubbard's Committee, but Mr. Mill, throughout his examination, shifted his ground so frequently that he seemed almost to admit that he had not yet arrived at any principle satisfactory to himself.

He, however, arrived at the conclusion that, in taxing incomes, that portion only of an income should be taxed which the owner could properly afford to spend; though immediately afterwards he explained that, not the portion of an income which a man ought to save, but the portion he did save, should be exempt from taxation.

Again; Mr. Mill, before Mr. Hume's Committee says, in answer, [No. 5427] "For example, the establishment of schools and universities; that cannot be called the protection of person or property; it is not in all cases a thing which I think the Government should

do; but in many cases it is. It seems to me a matter of judicious discrimination in each case, what the Government can do for the benefit of the community. Whatever it can do usefully, which will be different in different circumstances, it ought to do."

Many a grant is wisely made from the public revenue, not for the protection of Englishmen, though it may be for their good.

A grant to the Royal Observatory is a commercial good in Nautical Astronomy, but is not a protection from foes abroad or at home.

But Mr. Farr is in favour of a Property Tax,—not an Income Tax, [No. 4895-6.] "The correct principle with regard to taxation is, that each member of the community should contribute every year to the common yearly expenditure of the country, in a fixed proportion to the amount of property in his possession during that year; by property I understand value, or the power of producing value at the present or in future times. The tax should be on property, and not on income."

What Mr. Farr means by property he explains immediately afterwards. [No. 4897.] "A man who has skill and industry alone which enable him to earn an annual rent for his services, possesses property in the strictest and most essential sense of the word; it is a sort of indwelling property, and is the source of nearly all other property; for nearly all the external property of the country derives its value from some of the qualities fixed in it by the skill and industry of the present or of past generations. . . . There can be no doubt that every person who is in, or has property in, the country, should contribute to the national revenue; and no more just rule can be laid down than that each person should contribute every year in the proportion of the property possessed by him during the year."

If it be true—as it clearly is—that,—“nearly all the

external property of the country derives its value from some of the qualities fixed in it by the skill and industry of the present or of past generations,"—it seems a great mistake to diminish,—by taxation,—that creative power before the property is *realised*.

Mr. Farr would tax property—not income. But he would capitalise incomes, and then tax them as property.

This is very like a distinction without a difference.

He would capitalise incomes according to Life Tables, in which the chances of life are taken into the account. [No. 4854-5.]

It seems to be another great mistake to measure the value of a professional income by the Life tables, with which one would measure the value of an annuity.

To leave out one acting element, in the measuring prospectively the result of that element with others, must make the calculation false.

Now, in the question of the value of a professional business, as capitalised property, there is an important element that does not meet one in that of the value of an annuity :—The *will*—the *whim* of man.

The value of a life has been tabulated from registration of deaths; and the law protects, to a man, an annuity against the will of others. But a surgeon may, through a mistaken treatment of a patient, or other incident, lose any share of his practice, at the *will* of any of his friends; or, he may lose it from the *free will* of a competitor planting himself beside him; and through the *free will* of the friends of that competitor, heretofore his patients; and though Financiers, like Mr. Farr, may say—they have made allowance—in their minds—for those chances, still, the answer is;—those chances have not yet been tabulated by Statistics; and the element of man's will ought to come into the formula of the value of a business in as trustworthy a form as life itself.

This omission of the element of man's will seems a capital mistake in modern political economy. [No. 4882.] Question by Mr. Hume the Chairman:—"Take the case of a merchant who had a large income in one year, and incurred a loss in another year,—it would not be fair to tax him on his entire income in the first year, but you should tax him on the amount of property that his average income represented?"

Mr. Farr's answer:—"You should bring the property to its actual value, which will vary, but will not exceed $33\frac{1}{3}$ years' purchase on the average net return."

Then, Mr. Farr's scheme would not, in its effect, differ much from the present income tax..

The Income Tax is levied on the ratio of the average income.

Mr. Farr would rate a man's property on the ratio of his average income, and tax him in the ratio of his property.

Therefore, the present tax is in proportion to income, and income (*Teste*, Mr. Farr) is in proportion to property; and Mr. Farr's tax is in proportion to property, and, therefore, in proportion to income. (Euclid 11. 5.)

So,—what Mr. Farr says,—as before quoted,—[No. 4896]—"the tax should be on property, and not on income"—is a distinction without a difference to the rate-payer.

And, so,—as before quoted,—[No. 4897]—the body and mind are to be taxed if they work and win money; and the rich idler is to enjoy his manship tax free—[See No. 4899.] Question, by the Chairman, Mr. Hume:—"What interpretation do you put upon the word "ability," in the answer which you gave before?"

Mr. Farr's Answer:—"The ability is most strictly expressed by the amount of property possessed by each individual in the State. It cannot mean talent, or any

other quality than the power to produce or to dispose of property; for you cannot pay people by one measure and tax them by another; pay them the market value of their labor, and tax them in the proportion of their wisdom, goodness, science, or activity. If the community pays Milton £20 for 'Paradise Lost,' it must not tax him on the amplitude of his great, priceless, inestimable genius. All in a man's life which can be justly taxed is represented by the value of his income."

This is, indeed, a tax on labor.

Again;—[No. 4913] Question by Mr. Newdegate:—"You understand the term "ability" to mean the capability to acquire property, and to enjoy it?"

Mr. Farr's Answer:—"Yes;—the capability to produce value."

Here, *capability* to produce value is property. So that a man of skill cannot retire from business, cannot retire from labor, but that he must be taxed on his capability to earn income, though he may not earn any!

Again;—[No. 4914-5.] *Questions by Mr. Newdegate*;—"Then you do not exactly confine your attention to taxing a man according to his property, if I understand you rightly; because it is perfectly clear that, although the property in fee-simple is more valuable owing to there being a reversion attached to it, the reversion is not a source of present enjoyment to the holder?"

Mr. Farr's Answer:—"He might immediately, if he chose, convert it into a source of enjoyment by selling the property for £33,333, and getting double the life annuity which he now enjoys."

Question.—"That would involve the principle of taxing property not as it is, but as something into which it might be converted?"

Answer.—"No. I conceive that it is strictly taxing the property; because a person who has an estate of

£1000 a year in perpetuity, is worth £33,333 ; deprive him of his property and he is deprived of £33,333."

Very good. Keep to that position.

But what is the market price of a man's body, or strength, or skill, which cannot be sold ?

See [No. 4897.] before quoted.

Again ;—[No. 4928.] *Question by Mr. Hume—the Chairman.*—"Do you think that all incomes in the same manner should be taxed ?"

Mr. Farr's Answer :—"Yes ; because the sources of incomes derived from professions are property ;—a *prima donna* is as much property as the theatre in which she sings."

No. A theatre may be sold, but a *prima donna* cannot be sold—in England.

This savors of the Slave-market !

These are a few of the Questions and Answers in Mr. Farr's very long examination, before Mr. Hume's Committee.

Mr. Farr's examination before Mr. Hubbard's Committee, also very long, is to the same effect.

It would be a wearisome task to pursue this further. At any rate, this is not a dish to be set before everybody, though some may like it ;—as the Scotchman,—enjoying his singed sheep's head,—said to the sneering Englishman :—"There's a deal o' fine confused feedin' about it, let me tell you."

There is, indeed, "a deal o' fine confused talkin' about it, let me tell you," in all these examinations, and little but the taste of singed wool left in the mouth after all. But Englishmen are too fond of plain dishes to put up with Mr. Farr's confused cookery.

One example must suffice for Mr. Farr's evidence before Mr. Hubbard's Committee.

Referring to Question and Answer [5023] in Mr. Farr's evidence before Mr. Hume's Committee,—as

follows:—"If a man of business did not choose to return the amount of capital you would take his profits at 16½ years' purchase, which would make his tax £75, instead of £51, and if he chose to state his age, and the amount invested in the business, a further reduction would be made. You think that would be applicable to all kinds of business?"

Answer.—"Yes. I should not take the life into account in large concerns, such as the great breweries, any more than I would with the Bank of England, because I should regard the businesses with a large good-will as nearly equivalent to houses or perpetuities."

Mr. Lowe,—on Mr. Hubbard's Committee, put the following Question to Mr. Farr:— [No. 2926.]—"Then again referring you to Question 5023, you were asked,—“You think that would be applicable to all kinds of business?—Your reply is—“Yes; etc.”—do you adhere to that?”—

Answer.—"That is one way of viewing it;—these are doubtful cases, as I said before. The incomes derived from trades in which a large capital is embarked vary, of course, in their nature excessively; if it be thought right, even under a new modification of the income tax, they might be classified, but on the plan that I proposed I should still think that this would be a reasonable way of treating the subject."

What would be the meaning of the word "*large*" in an Act of Parliament imposing an Income Tax?

At what point of increase does a business become *large*?

It is as indefinite as were the words of the Witness who said that, something was "as big as a knob of chalk."

In making these few remarks on Mr. Farr's Evidence, the Writer is desirous of expressing his high respect for the great learning and labour therein dis-

played, though this feeling is not unaccompanied with a certain regret that so powerful an advocate in favour of Direct Taxation, should have so qualified his advocacy ; as, (in the Writer's opinion), greatly to have reduced its value.

JAMES REDDECLIFF JEFFERY

Is thus introduced by Mr. Hume, the Chairman :—
[No. 5679.]—" You have been deputed to appear before us by the Committee of the Financial Reform Association at Liverpool, who are anxious, through you, to place their opinions on record as regards the income tax ?"

To which Mr. Jeffery answered :—" That is so."

[No. 5700.] *Question by Mr. Hume, the Chairman* :—" Passing from the principle on which the income tax should be assessed, are you aware that there are objections to the mode which has been adopted under the recent law in the process of levy, and the manner in which the tax is collected ?"

Mr. Jeffery's Answer :—" Yes, I am ; and I attribute it in a considerable measure to those objections in the process of levy, that the income tax is complained of by persons engaged in commerce and trade. I believe it is universally admitted that an income tax is the justest of all taxes, because, if levied on just principles, the load is proportioned to the power to bear, and because it recognises the sound principle that industry should be entirely unfettered in its creative operations, that the two great purposes of a sound fiscal policy being thereby fully recognised and acted on, the wealth of individuals, and of consequence the national wealth, being thereby increased in a much larger ratio annually than it now is, from the freedom of action given by absence of restriction ; and the power to contribute being therefore

correspondingly increased, as well by given individuals, as by the masses of the nation."

All this seems to mean that, Mr. Jeffery is very favorable to an Income Tax. He stipulates only that, it must be a just Income Tax, which, he thinks, the present is not.

Now, let us see how he would make a *just* Income Tax.

[No. 5690-1-2.] *Questions by Mr. Hume, the Chairman* :—"In your reply to the first question you referred to the cases of deferred annuities, reversions, and vacant lands; upon what principle would you have them to contribute to the State, seeing that they are not immediately productive to their possessors?"

Mr. Jeffery's Answer :—"Such estates are as much the objects of legislative protection as those that are immediately productive; and with respect to reversions and vacant lands, they partake also, in the meantime, of the increase which the activity of the producing masses create. Each would be made to contribute in proportion to its present value."

Question.—"But as these estates do not at present yield income to the possessors, and as, therefore, it is supposed they have no income out of which to pay the current tax, by what means could the demand for such tax be enforced?"

Answer.—"The Government should have authority from the Legislature to look to each estate as it may stand in individual hands, and to charge tax on such estate according to its market value. A deferred Annuity has its value, and so has a reversion; and vacant lands stand in precisely the same position, and the one and the other receive the protection of the State to the extent of such value."

Question.—"But supposing the possessors have no immediate income from those estates, how is the claim

for the tax, if you levy it in that proportion which you have stated, to be made available?"

Answer.—"It may be readily supposed that the possessors of such estates would prefer paying the tax, from whatever source they might derive it, to allowing the Government to sell the estates to realise the same, a power which the Legislature would naturally give them to enable the tax to be collected.

. . . Or, it may be in the wisdom of the Legislature to allow a mortgage to exist; the amount being comparatively small, the Legislature may choose that the mortgage may continue to exist, and it may be recovered then under a mortgage deed. It occurs to me that, should the direct system be introduced, any little difficulty of that sort would be obviated by private capitalists coming to render assistance to those who might not have sufficient income to pay the demands of the Government upon it, but the Government demands certainly should be satisfied."

Mr. Jeffery would have an Income Tax,—but a *just* one,—and he would have it of a reversioner, with no income coming in!

Mr. Jeffery thinks this just!

The "*little difficulty*" of getting something out of nothing,—"*any little difficulty of that sort would be obviated by private capitalists coming to render assistance,*"—such assistance as vultures lend to lambs;—or, Government "*might sell the reversion, to realise the tax;*" or, "*the Legislature in its wisdom might allow a mortgage to exist*" for the tax.

Who knows what the Legislature might not do? But who,—but Mr. Jeffery,—ever supposed that the Legislature would ever do *that*?

Certainly,—"*Government demands should be satisfied;*" but the Government must first establish its right to make such a demand, and that "*little difficulty,*"

added to the other "*little difficulty*," would, certainly, make such a very great difficulty that, it will, probably, never arise.

The next Question [No. 5693] of the sagacious Chairman, Mr. Hume, would have been a *puzzler* to most persons :—"Have you taken into consideration the possible contingency of the reversioners or deferred annuitants not surviving to realise their prospects or enjoy their reversions?"

Mark the tender tone of this question, and the hard-hearted answer.

"I have; but so long as they are in existence certain interests vest in them, and therefore certain liabilities should be made to attach; if the reversioner do not survive, his heirs will, and they will derive the benefits of the estate which has been protected; and if the deferred annuitant do not survive, his interest having been protected during his existence, no injustice has been done him, as he has only paid for protection received."

No—he hasn't. He received nothing, and he paid nothing.

His heir pays for him.

And what for?

Mr. Jeffery would tax his man, because, if he lived, he might have wherewithal to pay it! Some may think this hard-hearted.

But, whether hard-hearted or not, he was one of the most zealous and active members of Council of the Liverpool Financial Reform Association.

It seems that Mr. Jeffery's answer to this last question was not quite satisfactory to the Committee, seeing the following question shortly afterwards put to him by *Mr. Sotheron* :—

[No. 5696.] "How would you make sure of your money from the reversioner during the lifetime of the tenant for life?"

Mr. Jeffery's Answer :—"The Legislature would give power either to allow it to remain on Mortgage, taking the estate as its security, or, I have no doubt, as I stated before, that private enterprise would step in. For example, the Government does not attempt to insure property against fire; but private enterprise steps in and does it now; private enterprise will also step in and lend money upon good security. Though the day may be very distant when it may be received back again, still I have no doubt it would be so if the great principle of direct taxation were to be established in perpetuity, and this were to be made a permanent tax."

Thus,—if Mr. Jeffery could have his way,—a needy reversioner should pay the cost of the mortgage and be taxed with two exactions, because he would be too needy to pay one of them.

Again :—*Question, by Mr. Hume, the Chairman.* [No. 5745.]—Have you not stated that waste land, and other matters producing no income, should nevertheless be taxed?"

Mr. Jeffery's Answer :—"That is only no immediate income; it is producing income by the accumulation of the inhabitants, and the industry of those around it; it is increasing, otherwise the party would not allow it to lie. Every owner of vacant land assumes that it is paying him fully the interest that the money would do?"

[No. 5746.] "How would you ascertain the value of it, there being no income?"

Answer.—"The value of any estate, or any property, is ascertainable; it will fetch its price in the market whatever it may be."

[No. 5747—*Mr. Sotheron.*]—"Would not the same argument apply to a mine which has not been explored, or to a mine which has not yet been fully brought into

work, or to any other source of wealth which requires only to be dealt with by man's industry, in order to turn it to account?"

Answer.—"It is quite clear that if the mineral wealth be known to exist beneath the surface, the estate on the surface is worth more money than if it did not exist there."

[No. 5748.]—"Therefore, my question is, at what rate would you tax the owner of an estate in which there is mineral below the surface, which has not yet been explored, and from which therefore he has no benefit."

Answer.—"I heard it stated here yesterday, that £100 a year royalty being paid for the raising of minerals was considered as income, which the Witness then under examination said it ought not to be; that it ought to be considered as part of the purchase money, because it was exhausting the estate. Now, I conceive such a revenue to be similar to a long annuity, returning to its receiver both income and capital at the same time."

[No. 5749.]—"In what way would you propose to deal with such a case as is assumed in the former question; would you tax a man for a mine which has not yet been explored under the surface, or would you tax him for the soil on the surface which produces a profit to him?"

Answer.—"I would tax him for that which produces a profit."

[No. 5750.]—"How, then, do you distinguish between the case of that mine not yet explored, and the case which I understood you to propose to tax, namely, building ground, or vacant land?"

Answer.—"There may be a disputed question as to the enhanced value of that building land, but when it changes hands there can be no dispute about it. Supposing, for example, the owner of land, unbuilt upon,

gives £5000 for that land, and at the expiry of a period of five years he sells it for £5500,—I would tax him then upon the £100 a year, for five years which it had accumulated in value; I would consider that to be the annual income drawn from it.”

Mr. Jeffery is not true to himself here. The waste land yields no income, and yet its owner is to be taxed on the income that it *might* yield as building ground. The minerals yield nothing, and their owner is not to be taxed for more than the profit of the land. Why not?

There is something horrid in this scheme of compelling a man either to sell what he would keep, or to be severely taxed for the keeping of it.

What,—if a man have a charming lawn, with good brick-clay under it?

He must turn it into a brick-yard, or be taxed for one!

Would this be English freedom?

Oh! you heartless Political Economists. The soul and heart, with their most divine sentiments, are ignored by you. You have an earthly God;—money:—and an earthly heaven;—material civilisation, without love or mercy.

Who is likely to be made a convert to DIRECT Taxation by the perusal of Mr. Jeffery's evidence before Mr. Hume's Committee?

This was the late Mr. Jeffery, of Compton House, Liverpool.

So much for the evidence of these Witnesses on the principles of Taxation.

So much difference of opinion between Financial Reformers themselves on this subject is to be regretted.

Not only they cannot agree among themselves what is the best form of Taxation; but even those who do agree that all Taxation should be DIRECT, cannot agree among themselves in recommending any Scheme of Taxation, even if they should find one which they all do approve of.

They would all have something different from what they have, but what they would have, they do not exactly know;—none are agreed as to what they should have, though all are agreed as to what they should not have.

Then, again:—They all agree in asking all people to support them in forcing the Government to make a change, though they are not agreed in what that change should be, and if they were agreed in that, they would not agree to say that they were agreed in that.

They agree only to complain of what they have got, as bad;—and will not agree to recommend what they wish to get, as better.

They set themselves up as leaders of the Financial Reformers, but are not agreed on any principle; and, if they were, are not agreed to declare it.

This is very like men in a boat, drifting about in the open sea, without a compass.

Is it wonderful that they have been drifting about so long, and are not yet within sight of land?

As one of our great living Writers has said, in his ‘History of the French Revolution,’—“In moments of great peril, use and wont will no longer direct any man; each man, with what originality he has, must begin thinking; or, following those that think.”

We have now fairly stated and answered such objections to our views as we deem worthy of notice.

These comprise the leading principles in difference. The shades of difference are innumerable, and to follow these would be as unprofitable as wearisome.

The Writer's object has been to anticipate and answer all the objections to his Scheme of Taxation which he has thought calculated to mislead his readers.

He must, no doubt, have left many unanswered, which deserved answering. But on this subject it is not easy to secure the attention of general readers.

Theoretical views on such a subject as this are not inviting, especially when the prospect of realising them in practice appears to be remote.

Important as the subject undoubtedly is, the public interest in it can be expected to be only in proportion to the public intelligence about it.

Now, the public intelligence on this subject is at an exceedingly low degree, and will probably continue to be so, as long as it continues to be a subject of bewildering controversy, with no fixed and admitted principles to bring it to a practical and satisfactory conclusion.

It seems hopeless to expect the Public in general, who are engaged in more practical and pressing duties, to take any active part in this controversy, or to express any decided opinion, when they are conscious of their own incompetency to form any.

All they know is, that they are very badly off, and that they should like any change for the better.

But when they see so much difference of opinion among those whom they must suppose to be much better qualified than themselves for forming a correct opinion, it is natural enough that they should look on rather as indifferent spectators, than as interested intermeddlers.

It seems, therefore, to be of the first importance for enlisting the Public for their support, that they should clearly understand what they are called upon to support, by showing them what their actual position is under the existing system, and what it would be under the proposed new system.

This has been the endeavour of the Author of 'The People's Blue Book,' though he can truly say :—

“ My endeavours
Have ever come too short of my desire.”

GENERAL REMARKS IN ANSWER TO OBJECTIONS.

The history of Taxation is a remarkable one ; but remarkable only for the absence of all system, and of everything deserving the name of principle.

From time immemorial there has been a war of opinions on the question :—‘ What are the subjects most proper for taxation ? ’

Into that history no inquiry will here be made.

As Milton said of the wars of the Anglo-Saxons :—“ Such bickerings to recount what more worth is it than to chronicle the wars of kites and crows flocking and fighting in the air ? ”

It is sufficient to say that, the question seems now to be,—‘ How far should *direct* take place of *indirect* taxation ? ’ And,—‘ On what ought men fairly to be taxed ? ’—‘ Whether on the income of their property ; or, on the income of their labor, or on both ? ’—‘ Whether on their property yielding income, or not yielding income,—or on both ; or on their property and persons, as under the protection of the State ? ’ Thinkers on Taxation are not of one mind, not only as to what is taxable property, but even as to what is property itself.

One definition of property is,—*omne quod proprium est*,—everything that is a man's own. Therefore, his life, his limbs, and his name.

But this can hardly be a good definition of *taxable* property,—which would rather seem to be,—*quod*

acquisitum est,—the labor-won goods of the world ; and as it seems that *taxable* property is that which is *labor-won*—won by the labor of man, albeit not of the owner—so it may be a hindrance from a clear understanding of the taxation of property to take it asunder from labor.

Now, it does seem important,—no less for policy than justice,—that it should be established,—as a principle,—that an ownership yielding income from the labor of the owner alone,—*is not taxable* property. And that property yielding income from others' labor,—or, property from which income accrues spontaneously, and requires no exercise of labor on the part of the owner,—or, *realised* property,—*is taxable*. And that property yielding income from other's labor, with the owner's own, being realised property, *is also taxable*.

Property of this last description, such as farm stock,—stock in trade,—and such like,—is that on which the minds of financial reformers are most unsettled, some holding it as *taxable* property, and others as not.

But although the elements of the two sundry labors may not have been formally stated in their reasonings, yet it is found to have come into the deliberation of some of them, and some would deduct, from income from such a source, the wages of the master ; whilst others have admitted the elements of property and labor into the rating of incomes, as such, as they would make a distinction between the profession of a barrister, and a calling in which capital is involved.

As men are not of one mind as to property, so neither are they as to whether the tax should be laid on property, or, on the income it yields ; or, on both *caput* and *fructus*, or, on property yielding no income, with that which affords it.

An argument for ranging the income of property

yielding income from the labor of others with the owner's, as that of true property, rather than of labor, is, that all allow property yielding income from others' labor to be a true property, though many hold that goods yielding income only from the owner's labor, is none. Thence, the element of others' labor is stronger for taxation than the owner's own labor, and, therefore, in a case with both of the elements, the stronger takes it off to the side of property, and property, yielding income from the labor of the owner and others, is true property.

Mr. Hubbard's scheme makes two classes of income;—one class of incomes from the labor of others,—and another of incomes yielded by the labor of the owner, either with or without that of others;—and he would tax the latter at two-thirds of the ratio upon which the former is rated.

But, instead of grounding a lower taxation on income from the trade of a private firm, than from shares in a railway company, on the elements of the two labors,—the true grounds—Mr. Hubbard's scheme would base it on the registration of the company.

One financier would not take the life into account in *large* concerns,—such as the great breweries,—because he would regard the business with a *large* good-will, as nearly equivalent to houses or perpetuities.

The word, *large*, would be too loose to mark a business for taxation in an Act of Parliament, unless it should define the largeness of large in its own sense, though many may think, the property of a brewing firm belongs to that description of property which yields income from the labor of the owner with others.

The difference between the two cases of will-holden and alienable property, and life-holden and unalienable property, has been allowed by some, and one financier would tax the income of the latter, at half the ratio of

the former ; and another thinks that the chief defect of the present tax is, that it does not make any distinction between permanent and temporary incomes, and that the latter should be taxed upon a lower scale than the former.

The fairness of a higher taxation on permanent property, than on life-long ownership, seems to be allowed by most financiers, as is shown by the Blue Books, in the manifold questions and answers on timed and untimed annuities, with the scheme of the capitalization of such incomes.

One plan of taxation is to tax property of the first kind,—that yielding income from others' labor,—at a fixed rate of the income it yields:—And by another plan, the tax would be set by some ratio,—such as three farthings, or a penny in the pound,—on the sum of the property, and its yearly profit.

This form of tax, however, would be fair or tolerable only with property yielding a good income. For, let a man have a property of £10,000, and, from bad luck, let it yield him some year only £40, then, at a penny in the pound, his tax on £10,040 would be nearly £42,—that is, more than his whole year's income.

Others hold that the practice or good-will of a profession is property, and that its worth, as property, is what it would fetch in the market. But one financier thinks a surgeon's practice worth from three to five years' purchase, and says, elsewhere, that, he would tax it on seven years' purchase, taking three and a half years' purchase for the property of his professional learning and skill, though—

“ The real worth of any thing,
Is just as much as it will bring,”

and if the successive labor-won yearly incomes of a surgeon will sell for only three and a half of them, why

should the owner be deemed worth a property of seven of them ?

Even the three-to-five years' purchase, of a medical practice, seems, however, a very uncertain value of it, as Mr. Hubbard had been told that, it would sell for only one year's purchase, and we have heard that it usually changes hands at twice its yearly income.

It has been proposed again,—in the taxing of incomes from labor,—to take those of clerks, in commercial or Government offices, at three and a half years' purchase, and also to tax sources of income by the measure of their price in the market ; but if the practice of a surgeon, standing as it stands, upon the good-will of scores, if not hundreds, of patients, can be bought for two years' purchase, or even one year's income, how can one rate at three and a half years' purchase an employment which is holden at the will, and even at the caprice of one man, and which, as the employer would not be likely to sell it, has no market worth ?

Some have proposed taxing Artists, making large incomes from their labours ; as if their income were that of absolute property !

Now, what is it that is protected for the Artist ?

Is it the source of his income,—his skill,—won by long and pinching years of study ?

Or,—is it the fruit of that source,—the income itself ?

Or,—is it the free enjoyment of that income ?

The Government cannot insure the source of his income, otherwise than by the common protection of his living man-ship ; for that would be to insure him against a stroke of hand-paralysis, or madness ; and one financier says, he would not tax the intellectual power of a barrister, but the profits of the barrister.

The Government could not insure the Artist income, for that would be to insure the sale of his pictures ;

and, therefore, it could insure only the free enjoyment of his income.

But, according to the opinion of those who hold that, protection should be the measure of taxation; a man to whom the State insures his income,—and something more than his income,—such as property,—the source of income,—should pay higher tax than he whose income, as wages only, is protected, and, therefore, it seems to follow, from their own view, that, wealth incomes should be taxed higher than work incomes.

One writer reckons 10 per cent. as a fair average assumption of the profits in trade; though Railway Companies while carrying on a fair and steady trade, do not seem to clear such a gain; and yet, again, some co-operative societies pay a *bonus* of as much as 20 per cent.

Hence, we can understand how hard it is to find a fair ratio for commercial profit.

The unfairness of taxing alike the earnings of labor, and the income of property, will always be shown by their stubborn unlikeness.

If a hardly taxed but idle man, with an income of £100 a year from property, were to say, with truth to the tax-master, your heavy tax does not leave me enough of my income to feed, clothe, and house, my wife and children,—he might answer:—"Very well. Give some of your spare time to some kind of work, and so increase your income."

But, if a poor toiler for bread, who might spend all his days and strength in the winning of £100 a year, were to utter to the tax-master the same complaint, he could not give him the same answer. His taxed £100 take up all the work hours of his work days, and the tax-master could only say to him:—"What is that to me?—Starve":—for, he would not say:—"Cheat or steal;—or kill your wife or children off your hands."

A Witness was asked, whether the savings of the poor man were not just as good as those of the rich, so far as they go in adding to the capital of the country ;— which seemed to imply that men increased the capital of the country in the ratio of their savings. Whereas, men increase the capital by their *earnings*, rather than by their *savings*.

In some cases, the savings of a working man may be an addition to the capital of the country, while those of a rich man may not.

But what is capital ?

At one place it seems to be understood that capital is nothing more, or little more, than money.

But if money only be capital, it is increased by no hands but those who work at the Mint ; for the money of the country is not increased in the paying, or taking, or keeping of it ; and, therefore, it is idle to talk of the increase of it by poor, or rich.

Capital, as before shown, is composed of materials, provisions, and instruments,—representing Utility and Value.

Capital, therefore, consists of commodities or products.

It assumes the name of Capital only by reason of its ulterior destination.

It is a great mistake to suppose that capital, as such, is a thing having an independent existence.

A sack of corn is still a sack of corn, although one man sells it for revenue, and another buys it for capital. Exchange takes place on the invariable principle of value for value, service for service ; and the portion of gratuitous utility which enters into the commodity is so much into the bargain. At the same time, the portion which is gratuitous has no value, and value is the only thing regarded in bargains. In this respect transactions which have reference to capital are in no respect different from others.

Whoever has rendered a *service*, and has not yet received the corresponding *satisfaction*, is the bearer of a warrant, either possessed of value, as money, or fiduciary, like bank-notes, which warrant gives him the power of receiving back from society, when he will, where he will, and in what form he will, an equivalent *service*.

Every *service* then is, or may become, a capital.

Thus, capital is an instrument of labor, and it follows that, the progress of mankind coincides with the increase of capital.

This being so, the paramount interest of all (in an economical point of view, and this is Bastiat's view) is to favor the rapid creation of capital; and capital (if we may say so) increases of its own accord under the triple influence of activity, frugality, and security.

The *vires acquirit eundo* may be applied with rigorous exactitude to capital, and its beneficent influence. Capital, when formed, necessarily leaves disposable both labor and the remuneration of that labor. It carries in itself, then, a power of progression.

"This progression," as Bastiat observes, "economical science has omitted hitherto to oppose to the other progression which Malthus has remarked."

With this explanation, we may take capital to be, labor-won goods, or goods brought to hand in any form by the labor of man, and that the capital of the country is not increased by the still or idle hands, though they may keep what may come into them; and that it may be increased by working hands, though they may spend what they win.

But the good or happiness of the country may or may not be increased by men who do not increase its capital.

Let a hundred people settle with £100 among them, in a small island, and let one of them save, in ten

years, £10. How have they added to their capital while it has not increased?

After ten years, let this man expend his savings of £10 in getting help to build a boat and make a fishing-net. Then the £10, and moreover the boat and the fishing-net, will be among the community, and the man will have indirectly increased the capital of the island by the spending, not the keeping, of the £10, and the men who helped to make the boat and the net, will have increased the capital in the earning, not in the keeping of their earnings.

Thence we can see that still or idle hands do not increase capital in the keeping of money, though they may increase it indirectly by spending of money in useful labor, as working hands may increase it in the earning of money.

But how is it with the working man, who, out of the fruits of his labor, saves a livelihood for his workless old age? Does he, or does he not, increase the capital of the country?

At his death he may, or may not, have done so.

It seems an ordinance of the Allwise that man should have strength to win more life-gear, or capital, than his life needfully consumes; for, otherwise, he could not bring up his little children, nor keep his kindred in sickness. So, let a man, out of fifty years of labor, save life-gear for ten more years of life. If he were then to die he would have increased the capital of the country by that ten years' share of capital, but if he were then to be paralysed for the next ten years, and to die, as he might have consumed his last bit of life-gear, it is not clearly to be seen how his whole life could have increased the capital of the country.

When capital passes through still hands, it loses a tare or tret equal to the share of it which is wholly con-

sumed in those hands out of all form of capital ; as in food, or the wear of clothes, etc.

But here, let it be borne in mind that, men who consume capital, and make none, may be affording to the world some form of good which may be worth their share.

The boy who was hired by Philip of Macedon to keep him in mind of his mortality, consumed capital with still hands ; but, yet, if he made Philip a better king to his subjects, they might well afford a loss of capital for a gain of happiness.

Some would tax property even yielding no income, on the ground that it would yield a price, and, therefore, income, by sale ; and they think that the owner should be taxed not on the income it may yield him, but on the income he may, if he would, win by it.

A tax carried out on such grounds, without qualification may become, as already shown, dreadfully tyrannical, making the most prudent and the most christianly course of action, a subject of ruinous exaction.

A Songstress has married, and wishes to give her mind and time to her husband, her children, and her home, and the tax-master may say to her :—" Madam, you have a voice and skill which has brought you, and would now yield you, a thousand a year. On that income I shall tax you."

Mademoiselle Jenny Lind, or Patti, would complain of this as oppressive and unjust.

A girl may have a fine head of hair, which would sell for false curls, and, therefore, the Assessor may tax her for it.

Or, if a man of small income should form, in his spare hours, a collection of fossils, or insects, or plants, he might be so taxed on the price they would fetch in the market, that he could not afford to keep them.

The gift of some most precious work of Art would

become the gift of a dreadful plague; and even the Universities (unless exempted) could hardly afford to keep their rare collections of books and precious manuscripts.

If a good landowner were to give, rent free, a piece of ground for the *campus martius* of a village, or town, a builder might declare that it would sell for a higher price, as building ground; whereupon the owner would be taxed on its deemed market value, unless he might sell it to the builder.

If property should be taxed as it might yield, rather than as it does yield, income; the game of an estate, even where none of it might go to the poulterer, must be taxed on its estimated value.

If a picture, coming free of tax out of the hands of the painter, were worth £1000, then, since the worth of a piece of property on becoming burthened with a perpetual charge would become lessened by the value of the charge, so the price of the picture would become lessened by the value of the perpetual tax, of which the painter would virtually pay the whole.

It has been proposed to tax reversions, even to needy men, who might be starving on their phantom of chance; and as it is clear that some reversioners might not have wherewithal to pay the tax, it has been suggested that their tax might remain on Mortgage of their reversion; whence it would happen, if they should pay the cost of the Mortgage, that they would be taxed, as needy men, far beyond a rich reversioner, who might pay the tax in ready money.

Such a tax has been marked as an income tax, albeit it would be raised on nothing coming in; or on something which never could come in to the reversioner, if he die before it comes in; and if before it comes in the income tax should cease, he will have paid for protection which he has not enjoyed. He would, in reality, be

paying a tax in consideration of an income received after the tax had expired.

The law of Christian contribution seems to be that, a man should give as God hath prospered him—according as to that he hath, and not to that which he hath not;—and though we can hardly hope that a worldly law should be the divine one of love, yet that law seems a good pattern for men's payments to the wants of a Christian State.

If men who pay tax both on income from property, and from their labor, were polled for their opinion of the fairness of taxing both alike, it is most probable that, although they might be found to have paid the true property tax freely, they will have paid the tax on their earnings begrudgingly.

Some hold, again, that the body itself, a man's very manship, with its powers, whatever they may be, is property.

One Witness says :—A man who has skill and industry alone, which enable him to earn an annual rent for his services, possesses property in the strictest and most essential sense of the word, a sort of in-dwelling property. A *prima donna* is as much property as the theatre in which she sings.

This would imply that she is property in the same respects as the theatre. But, as we have before shown, she is not, since the theatre may be sold, and the woman cannot. And if it be answered that it is the singer's voice, or skill, that is as much property as the theatre, —the statement can be refuted by the same form of answer.

Now, if one's manship should be taxed, as property, only on the income it yields, the taxation of it would be a great hardship, as it would be a tax on labor and goodness, since the needy man would be taxed in and for his working and useful life, while his unworking and

richer neighbor would be tax free; though it is true the working man might have the pride of being rated as of worth, while the person of his idle neighbor would not be worth a farthing; and, then,—why should the law protect it?

If the earnings of a needy person are to be the measure of his worth, as property, then the person that earns nothing must have only zero for the measure of his worth; unless we hold, as some do hold,—that unproductive property should be taxed,—in which case, holding the body to be property, we should have a Poll Tax.

Then the question of a poll tax would rouse in dispute those who hold, on one side, that the person is to be taxed as under the protection of the State; and, on the other hand, as a property, that a man should be taxed as being his own deed-master, or not taxed as under the wardenship of others.

The subject of wardenship is perplexing, from the anomalies of our law, as to the age at which a boy becomes his own deed-master. Among the Welsh Britons, a boy was formerly received into his tribe, as his own deed-master, at the age of fourteen, and with the Saxon English, a boy was under his father's *mund*, or wardenship,—who answered for his deeds, till the age of twelve.

But with us, a child seems to be taken as his own deed-master, in crime, at a fewer years old,—though the law does not tell us how many,—as we see by children punished for crimes:—whereas, if a tall young man buy needless wares on trust,—his father is told that his son is under 21, and is not his own deed-master, or money-master, and that he, the father, must answer for his son's deeds.

And yet, again, a young girl may go into service and take and spend her money as if she were her own mistress.

The Poll Tax, withstood by Wat Tyler, was sought of all persons under fifteen years. This would impose the tax on the father, for all his children, as long as they were under his *mund*, while the length of the father's wardenship is so ill defined.

If those on whom falls the duty of imposing taxes were to imagine themselves in the position of those on whom falls the duty of paying any particular tax, it is inconceivable that many of our taxes should ever have been imposed, and especially those taxes which are taken indirectly from the wages of the laborer's own hard labor.

It is one question, what description of property should be taxed, and whether the tax should be imposed on the property, or on the income. But it is quite another question, whether labor, which is the source of all property, should be regarded and treated as property.

If this latter question were quite out of the question, as it ought to be, the former question would be very much simplified.

If it be admitted, as an axiom, as it ought to be, that the laborer's own labor must not be taxed, the great difficulty in the question of Taxation is at once removed.

It would then seem to follow, as a consequence, that the profits of trade must not be taxed until realised.

The description of property to be taxed would then be a much less important question, and would be a question within much narrower limits, than at present.

If manufactures, trades, agriculture, and professions were thus withdrawn from the question, it would be of comparatively insignificant importance, what description of property should be taxed, or whether any and what distinction should be made between terminable and interminable interests. All the ingenious reasoning and devices for equalising these alleged inequalities might then be very safely left for the amusement of the ac-

tuaries and others curious in such speculations. To the public at large they must be without any interest, because they must be without any practically useful result.

Such inequalities must ever remain in individual cases, whatever the ingenuity brought to bear, inasmuch as no general tax can be equalised in its effect on all individuals.

As that eminent authority, (the late) Mr. Babbage, said,—in his Examination before Mr. Hume's Committee on Income and Property Tax,—“It is indispensable to deal with classes, and not with individuals.”

This Witness, by closely adhering to the principle which he had laid down with great clearness, avoided the snares which were laid for him by his Examiners.

They could nowhere catch him.

His powerful and penetrating mind saw the necessity of confining his evidence to classes, and not allowing himself to be drawn into individual cases, in the application of a general rule for the good of the community.

Of all the Witnesses, this eminent Witness was the most conclusive, in answering the charges of inequality and injustice, in regard to terminable and interminable annuities, and in exposing the injustice and absurdity of fixing an income tax on a reversioner.

He well said that ;—if the tax be permanent it will eventually tax the reversioner as well as the present possessor ; and if the tax be only for the year, as it is, the protection is alike to all paying the tax.

It would have given infinite satisfaction to the Writer if all his views on this important question had been supported by the high authority of this distinguished Witness. The whole of Mr. Babbage's Evidence, before Mr. Hume's Committee, deserves careful perusal.

To follow this evidence throughout, would lead beyond the proposed limits of this volume.

But there is one question and answer of such great importance that it must be here given.

Mr. Babbage was asked by Mr. Hume, the Chairman, [No. 5655.]—"Do you think it fair not to tax the rich man more than the poor man?"—*Answer*.—"I do not think you should do so."

It will be a woful day for this country, if it should ever give any other answer to this question.

This answer the country has now given to Mr. Hubbard, and this ought to be final and conclusive.

Even under the present imperfect and unsatisfactory law,—and every tax on income must be imperfect and unsatisfactory,—all parties receive protection during one year for the property which they have.

The produce, which is protected, is taxed equally in all cases.

To distribute the burden of an Income Tax equally on all, in proportion to their means, is, manifestly, an impossibility.

Income can be derived only from present or past efforts or services; or, from a combination of present and past.

The efforts or services are infinite, and, therefore, indefinable. They may be of a nature physical or mental, subject to an infinite number of conditions, all more or less uncertain.

Therefore, an Income Tax is bad in principle, because unequal and unjust in its assessment, and incapable of being made equal and just.

Take the case of terminable and interminable Annuities which Mr. Farr, Mr. Hubbard, Mr. Jeffery, and many others, so much rely on.

In considering this question, which is one of principle,—it is quite immaterial whether the Income Tax be assumed to be permanent;—or, as it is, from year to year.

If it be for one year only, and if it be assumed that the tax is paid for the protection received, whatever other objection may exist, the question of inequality cannot arise.

If permanent,—in this point of view, the Tax is co-extensive with incomes of every duration and tenure. It is an equal burden upon all, that is to say :—5 per cent. for ever is as great a deduction from a perpetual inheritable income, as 5 per cent. for twenty years is upon an income limited by that period; and if we were to take the capitalised value of each income, and of the tax upon each, we should find that the latter bore in each case the same proportion to the former.

Thus,—let the income in each case be £100 a year, and the tax £5,—the perpetual income at thirty years' purchase is worth, £3,000,—the perpetual tax, at the same rate, £150;—the income of twenty years, at fifteen years' purchase, would be worth £1,500,—the tax, at the same rate would be £75;—each, therefore, is taxed at the same rate.

But there is a fallacy in this reasoning, which shows the greater propriety of fixing the tax on the property, or the value of the property, and not on the income, or the value of the income.

This fallacy is well exposed by Mr. Neate, but he falls into a still greater fallacy in his principle,—that the capitalised value of each income is the true basis of assessment.

The fallacy lies in comparing together, by the same measure, two incommensurable quantities; that is to say,—that it compares the consumable revenue of capital with that which is in part a creation of fresh capital.

If, in order to ascertain the taxable quantity, we must resort to the capitalised income, the proportion of tax to it should be the same.

But, if we compare the capitalised value of each income with the tax paid upon it, we find that one man

is paying one-third per cent.—the other one-sixth per cent.—upon his property.

This fact,—which any one may see for himself who chooses,—is fatal to the view of Mr. Farr, Mr. Hubbard, Mr. Jeffery, and all such reasoners.

The inequality and injustice of the Income Tax are still more apparent if we compare incomes from capital, with incomes from labor. But it is unnecessary to go over that ground again.

To deprive a man of the requisites of healthful existence, or even of every common comfort, is to entail on him privations incommensurable with any deduction from the means of wealthier persons, which leaves them still comforts, and, perhaps, luxuries in abundance.

But to force a man to labor for his means of subsistence, and then to force him to give up part of his means, so acquired,—and such a part as often leaves him with insufficient means for the subsistence of himself and family,—and to take this in the form of an Income Tax, under the false pretence of protecting him in the enjoyment of his property, is nothing less than a mockery and a snare,—a monstrous and wicked fraud on the poor and the ignorant, who do not know how they are cheated,—or, if they do know it, do not know how to help themselves:—it is an outrage against common sense, being a violation of justice, of honesty, and sound policy;—for, great as are the evils thereby inflicted on the working classes *directly*, the evils therefrom to all the other classes are still greater *indirectly*.

An equal or just Income Tax, as before said, is an impossibility,—a visionary chimera,—but those who will indulge in this vision must admit it to be a *condition* of a just Income Tax, that it should be *bonâ fide* a tax on *income*, that is to say, that it should be assessed on incomes in proportion to their *real*, not their nominal, amount.

If the land were divided among all the inhabitants of a country, so that each of them possessed precisely the quantity necessary for his support, and nothing more, an equal income tax might be imposed.

But how long would it remain equal? It is evident that all of them being equal, no one would work for another. Neither would any of them possess wherewith to pay another for his labor, for each person having only such a quantity of land as was necessary to produce a subsistence, would consume all he should gather, and would not have anything to give in exchange for the labor of others.

Unless all of them were of the same mind, and of the same capacity and power, equality would very soon cease among them, and then it would cease to be an equal income tax. And the course of nature alone, if nothing else, must very soon produce this state of things.

But if the tax were imposed on the land, instead of the income, the tax must always be equal, however unequal may become the division of the land. The mistake consists in looking for *fixity* in that which must always be changeable.

But the case supposed never can have existed, because the land has been cultivated before it has been divided; the cultivation itself having been the only motive for a division, and for that law which secures to every one his property.

If the state supposed could have existed, it could not possibly be durable; each one gathering from his own land only a subsistence, and not having wherewith to pay others for their labor, would not be enabled to supply his other wants of lodging, clothing, etc., except by the labor of his hands, which would be nearly impossible, as every soil does not produce every material.

The productions which the earth supplies to satisfy the different wants of man, will not, for the most part,

administer to these wants, in the state nature affords them; it is necessary they should undergo different operations, and be prepared by human labour and art; thus showing the necessity, not only of the division of labour, but also of the exchange of commodities for labor.

This shows, in endless ways, the varying nature of income, and how impossible it is to impose a tax, with anything like equality or fairness, on net revenue, *as income*.

Such a tax must always be unequal and unfair, because it must always encroach more or less on what is, or might become, capital.

Income and capital, for the purpose of taxation, must always be vague and indefinite terms, dependent in a great measure on the will and pleasure of the owner, though, as contradistinguished from each other, for other purposes, they may be sufficiently defined.

Adam Smith has said:—"The net revenue [meaning income] of the inhabitants of a country is *what, without encroaching on their capital, they can place in the stock reserved for immediate consumption, or spend upon their subsistence, convenience and amusements*. Their real wealth is in proportion not to their gross, but to their net revenue" [income].

Now, apply this to the laborer's daily income, varying between eighteenpence and five shillings a day. Call it income or call it property,—it is still the day's wages for the day's labor. Is this the net revenue which can be taxed consistently with the condition of a just Income Tax, before mentioned?

But a laborer's daily income is not equivalent to a day's wages, since he must earn in six days his income, or "daily bread," for seven at the least. The tax, therefore, to an ordinary laborer ought not to be on seven days of his week's earnings. It ought not to be on six

days. All laborers are liable to sickness, accidents, loss of work. They must make up, while employed, their livelihood for the days on which they earn nothing. But they do not buy their tea and sugar, or other taxed necessities of life, cheaper on one day than another.

Is this consistent with the condition, as laid down, for a *just* Income Tax? And is it any more consistent, if called a Property Tax?

Can anything show more plainly than this, the injustice and impolicy of taxing the wages of labor, and the profits of trade, or the produce of industry and skill, bodily or mental, of the common laborer, or skilled artizan, the manufacturer, or merchant, the agriculturist, the shop-keeper, or the professional man, until the products of his labor, or the profits of his industry and skill, have been realised?

Who can say, what is the net income of a common laborer, dependent on his daily labor for his daily subsistence? Or, even of a professional man, in like manner dependent?

How is the condition to be observed by a careful distinction between the gross receipts within the periods of computation, and the net amount reserved "to spend upon subsistence, conveniences and amusements"?

This is one of the impossibilities; for, it is admitted that, for the purpose of the income tax, a man's real income for a year, is not all the money which may come into his hands in that time, but what comes into his own pocket, or what he can spend in the twelve months.

The less the advocates of the present Income Tax say about "*graduating*" the tax, the better. The yeoman with £50 a year, does not pay income tax at all, being under the mark.

The professional man,—the Country Surgeon, for instance,—has not £300 a year,—like the fundholder,—

and is taxed above his income. But if once the *graduated* scale be let into our system of taxation, we shall have Socialism in its worst form, in a disproportionate exaction from the gains of genius and successful enterprise.

And who would really bear the cost of these abatements? Would it fall on the estates of the nobility, and landed gentry? Must they make up the deficit?

No. Not the old wealth of the country, but the new—not the ancient revenues of the soil, but the growing produce of the human arm and mind—would be required to make up the deficit.

But the philanthropists and philosophers,—the financiers and actuaries,—would graduate the Income Tax only to equalise it.

Let them beware of worse inequalities!

A graduated Income Tax could never help to fill the cupboards of the laboring poor. On the contrary,—the tendency of such a measure must be, to diminish the store of contents in *their* cupboards, by diminishing the fund for the employment of their labor,—consequently, diminishing the demand for their labor, and reducing their wages.

Mr. Gladstone, in his view of the case, was not altogether wrong when he said:—"If you take away a penny to relieve somebody under Schedule D, you must put it on somebody else." This he terms an application of "this grand true doctrine—'the abatement of one man is the taxation of another.'"

This is true if applied to a tax on property, or on income derived from property; but it is not true if applied to a tax on the wages of labor, or the profits of trade before they are realised. It is quite true if applied, as Mr. Gladstone applied it, to a graduated scale of Income Tax for Schedule D, whether under the delusive notion of equalising it, or any other notion.

“The abatement of one man is the taxation of another;” and further,—it is loss and injury to both.

But a properly framed tax on property, and the abolition of all other taxes on property or income, would amply compensate the burden of the tax upon the smallest incomes. No property, on which the tax would be worth the expense of collecting, would be exempted. Thus the tax would be equalised by the same per-centage to all, and in this way only can it ever be equalised.

It is not by “taking away the tax,” that a Chancellor of the Exchequer can “build himself an everlasting name;” though Mr. Gladstone said, in making his Financial Statement, in 1853;—I think that some better Chancellor of the Exchequer, in some happier times, may achieve that great accomplishment, and that some future Poet may be able to sing of him;—

“He took the tax away,
And built himself an everlasting name.”

It is not by “taking the tax away,” but by adapting it for perpetuity, and connecting his name with those reforms, which would make it a lasting monument of his political skill and fearless justice.

TRADES UNIONS.

A few words on this subject will be in their proper place here, and may be useful to those most concerned, if they will only bring to the consideration of the subject a little common sense. There is, perhaps, nothing new to be said about it, but this is quite clear, that a great many of the working class, whom it most concerns, understand very little about it.

It will surprise those who are seeking to interfere, by Trades Unions, with the wages of Labor, to be told that they are trying to bring themselves down to the condi-

tion of slaves. But this is the truth. It is equally true that they have no more chance of equalising the rates of wages, than of equalising the divisions of property.

No honest man was ever so ignorant as to suppose it possible to bring about an equal division of property.

It would be a harsh thing to say that, every leader of a Trade Union must be either a knave or a fool, yet it is difficult to decide how otherwise to class him on his own showing. If he know that he is acting wrong, he is a knave. If he believe that he is acting for his own interest, as a working-man, and for that of his fellow-workers, he is a fool. In the former case, he is trying to make others believe what he does not believe himself, that he may the more easily cheat them. He is trying to make himself a slave-master, that he may have slaves under his command, always ready to work for him. The poor slaves look up to him, because he promises and threatens, and because they are slaves, very ignorant, and very cowardly. The *black* overseer is always the most cruel. He has been a slave himself, and he knows what slaves are.

This is a true practice, and no caricature. The only difference is that, instead of the brutal savage negro with his cow-hide lash, we have the cunning white slave-master with his scale of fines and secret intimidation, the last to be used only on the refractory and cowardly slaves. In either case they are slaves, deprived of their own free will; in the one case, working under a master who controls them with the lash, in the other with the money-fine, and intimidation.

Now, this is a great mistake on the part of the white slaves. But the mistake is their own, and they must suffer for it. In the case of the black slaves, the mistake is their master's, and they are suffering for it. The law is with the white slaves, and could protect them; but they break the law and will not have the protection.

The law was against the black slaves, and declared them to be personal chattels and stock-in-trade.

In both cases, it is the mistake of interfering with the wages of labor. This never did, and never can, succeed. The market price of labor is regulated by the same natural laws as is the price of every other marketable commodity. Every attempt to force up the market price has a contrary effect in the end.

No laws can tamper with *the market price* with impunity. Neither can combinations. They can depress or lower,—never force up or raise. But they can destroy.

Now, let us see, by this *axiom*, what the Trades Unions are trying to do.

The leaders of most of these Trades Unions are now binding their members by solemn engagement, and enforcing its observance by money fines and intimidation, to demand, in one form or another, more than the market-price for the only commodity which they can bring to market—their labor.

It is obviously the same thing in effect, whether they insist on having a higher price, or on giving a smaller quantity.

If the market price, for any particular description of labor, be 5*s.* for a day of ten hours, a reduction to nine hours raises the wages to 5*s.* 6*d.* a day.

To the master who employs 100 laborers, even this small difference is equal to £10 a month, or £120 a year.

If he employ 1000 laborers, this is equal to £100 a month, or £1200 a year. But if this should become the market-price throughout the kingdom for the same description of labor, as it soon would, this small difference would be equal to many millions a year. But this would not be all.

The higher wage brings more workmen.

All the employers of labor, who would keep their

laborers, must make a corresponding advance in their wages; or, in some other way bribe them to remain, otherwise they would go and turn their hands to the more profitable work.

It would be no answer to say that, they would be less skilled in the new work. Of course they would be. But the leaders of the Trades Unions are much too cunning to trouble themselves with that little difficulty. They do not venture to say that, one workman shall receive more than another in the same class. The steady and the skilled, the strong and the weak, the stupid sot and the idle vagabond, who have paid and pledged, are all equal in their respective classes, and must all be equally cared for,—must all be brought to the same dead level.

Suppose this state of things brought about by Trades Unions throughout the kingdom:—What must be the consequence? The masters who employ the labor must raise their prices, not only to meet the increased wages, but also to meet the interest on the increased capital which they would then require to carry on their trade. They who could not obtain the capital must retire from the trade, or become bankrupts. Many would retire, and many would become bankrupts.

But if this were the state of things, existing in every branch of trade employing labor throughout the kingdom, the increased capital required for the labor-market would be some hundred millions sterling a year.

Now, this is the case supposed, but supposed only, or pretended to be, by the leaders of these Trades Unions, and, perhaps, believed by many of their poor ignorant dupes. We are supposing this state of things to exist for the sake only of following out the consequence.

But now we are coming to the real difficulty,—into the broad sunlight of stern reality. This is a difficulty beyond the trickery of all the Trades Unions, however powerful their combination.

How is the interest on this additional capital in trade to be paid?

Out of profits,—to be sure.

But what, if the profits of trade be *inverse* to the rise in the wages?

The markets of the world are beyond the reach of any combinations.

We find it hard work now to compete with our foreign neighbors in those markets. What chance should we have when our laborers are dictating the rate of wages to their masters or employers? How long should we hold our own Home market when we had lost the foreign? What would become of our laborers when all our little traders, and half of our great ones, were retired or ruined? The laborers must be content then with what wages they could get. Many would get none at all, and they must starve unless they could get away, which would then be a much more difficult matter than it is now. What would then become of the leaders of the Trades Unions,—the owners of these white slaves, then their miserable dupes?

They must escape out of the country, or they would be torn to pieces by the starving mobs. 'Of all rebellions, the rebellion of the belly is the worst.' The law can do but little to quiet *that*. The law does sometimes restore order, but never did restore trade, unless by repealing bad laws. Trade, in all countries, is regulated by a universal law. But a disregard of that universal law involves the disruption of social order, and that lets in Civil War, and its attendant, Famine, with many other vicious consequences, which the strongest only would survive. The weak must perish then, just as certainly as those who tumble into deep water must sink and be drowned, if they cannot swim, and there be no one near able and willing to save them. They may be innocent, but if ignorant, their innocence will not save

them; for, in this world, suffering is a consequence of ignorance.

We do not find it to be the order of things in this world, that everything should be reduced to a dead level.

Nature does not work under any such POTTER-ing law. Instead of uniformity and equality, Nature delights in variety and inequality.

If all the land and other property of the country were equally divided, how long would that equality continue? Imagine that state of things for one week only, and then what would become of us all? There can be no equality. The nearest approach that we can ever hope to make to it is, in Justice.

In that way we may approximate to it, but must ever be at an immeasurable distance from it, and our approach to it will never be through Trades Unions. But towards it we have not yet taken the first step. To say that the strong shall be brought down to the level of the weak, is as great an absurdity as to say that the weak shall be lifted up to the level of the strong. It is very like finding fault with the Creator's work, and pretending to correct it. And, yet, it is this that our Trades Unions are trying to do. Unhappily for us all, this ignorant mistake has arisen out of a no less ignorant mistake of our Imperial Legislature.

If the Trades Unions knew how to state their case properly, they would be invincible. They complain of injustice. In that they are quite right. But they are very ignorant, and in their ignorance they commit a much greater injustice against themselves and others, than that of which they complain.

The only real injustice which they have to complain of is, that they are not allowed to enjoy the full reward of their labor. Being born with a constitution and physical and mental powers of some sort, and having no other property, they are obliged to work for wages, that

is,—to let themselves out for hire. But the laws (in the making of which they have had no voice) take away from them, at least, one third of their wages ; or, what is the same thing, make them pay in that proportion an increased price for all that is necessary for their existence, in eating, drinking, clothing, and housing. The laws, therefore, to that extent make them *forced* laborers, or slaves, for the benefit of those who, having property, are not obliged to work for wages. This is as manifest an injustice in principle and in practice, in fact and in effect, as to demand ten hours' pay for nine hours' labor. Those who are deluded into this folly are to be pitied ; but their ignorance will not save them. By a law of Nature they must suffer.

But what is to be said for those who make laws to defraud the workmen of their wages ? The law-makers are ignorant. They too must suffer through the natural law, which they have broken. But for the suffering, as a necessary consequence, we should never have a chance of improving. All experience shows that mankind must suffer for the wrongs which they commit, before they will set about repairing them. Wrong can never be made right by reprisals ;—

“That wretched interchange of wrong for wrong.”

We look in vain for a sense of justice in a people until they be governed by just laws, and that state of things we have never seen.

As regards the law in the present question of Trades Unions, there is nothing illegal in their constitution, as long as there is no interference with the free-will of the members.

Combinations of workmen, for protecting and regulating their rights, may be lawful and wise. But it can never be lawful to exact obedience to self-imposed rules, against the free-will of the party coerced. And it can never be wise to attempt what it is impossible to

accomplish. Attempts of this kind were often made, in former times, by laws to fix the wages of labor. It was forbidden, under a penalty, that higher or lower wages should be asked or offered for each kind of labor, than what the law fixed. But laws of this kind were found never to do any good. When the rate fixed by law for farm laborers, for instance, happened to be *higher* than it was worth a farmer's while to give for *ordinary* laborers, he turned off all his workmen, except a few of the *best* hands, and employed them on the best land only; so that less corn was raised, and many persons were out of work, who would have been glad to have it at a lower rate, rather than earn nothing. Then, again, when the fixed rate was *lower* than it would answer for a farmer to give to the best workmen, some farmers would actually try to get *these* into their service, by paying them privately at a higher rate. And this they could easily do (so as to escape the law), by agreeing to supply them with corn at a reduced price, or in some such way, and then the other farmers were driven to do the same thing, that they might not lose all their best workmen. So that laws of this kind came to nothing.

The best way is to leave all laborers and employers, as well as all other sellers and buyers, free to ask and offer what they think fit, and to make their own bargain together, if they can agree, or to break it off if they cannot.

Some persons suppose that the rising and falling of wages depend on the price of provisions: they imagine that wages must be higher when bread is dear, and that, when bread falls wages will fall in the same proportion; so that it makes no real difference to the laborer whether the price of his food be high or low. But any one who will observe and make inquiries will find that this is contrary to the fact. Wages are not found to rise and fall according to the price of provisions; and, indeed, there seems to be no reason to expect any such thing.

The reason why a skilful mechanic earns high wages, compared with those of common laborers, is, that his services cannot be had cheaper. For the same reason, when laborers of any kind are scarce, (as, for instance, in a newly settled Colony,) wages will be high because employers will then be looking out for laborers, and will bid against each other to obtain them; and however cheap subsistence may be, no one will work for low wages when he can get high.

On the other hand, when there are many laborers looking out for work, they will submit to labor for a bare subsistence, rather than remain idle and starve. The dearness of bread does not make it worth while to an employer to pay high wages, when he can get workmen for less; nor does it necessarily make their work *worth* the more to him. A clothier, for instance, or a cutler, may find the price of cloth or of knives remaining the same when the price of bread is raised. The labor, therefore, of his workmen will be worth no more to him than it was before.

In hard times, it sometimes happens that a farmer or tradesman is forced to part with some of his laborers, because the highest wages he can afford to pay them would not be enough for their support; so that they are obliged to go and seek for work elsewhere.

In prosperous times again, however cheap food may be, an employer may find it answer to pay his workmen high wages,—far beyond what is sufficient for their bare support,—if the demand for laborers be so great that he cannot get them for less.

The high or low rate of wages, in short, depends not on the price of provisions, but on the demand and supply of labor. When many laborers are looking out for work, wages will fall; and they will rise when many employers are looking out for laborers.

Laborers often suffer great hardships from which they

might save themselves by looking forward beyond the present day. They are apt to complain of others, when they ought rather to blame their own imprudence. They are, in general, very ignorant of their own interests, and very improvident because they are very thoughtless. If they would only take a little trouble to think, they would easily understand the few simple propositions on which their interests, as laborers, mainly depend. They would see the impossibility of paying all the laborers the same wages; and they would then distrust those whom they now follow. They would see that the rate of wages does not depend on the hardness of the labor, but on the value of the work done. They would see that the value of each kind of work is like the value of anything else; that it is greater or less according to the *limitation of its supply*; that is, the *difficulty* of procuring it. If there were no more expense, time, and trouble, in obtaining a pound of gold than a pound of copper, then the price of a pound of gold would be no more than of a pound of copper. This may show the great difference, so important to be remembered, between price and value, which, when understood, have an entirely different meaning.

The *price* of a pound of gold is, we may say, £40; but the *value* of a pound of gold is, nothing. The £40 is paid, not for the value of the gold, which is valueless, but for the service rendered in obtaining it. The same reasoning must equally apply to every other natural production. All natural productions are more or less *useful*, but to be useful they must be used. Most of them are obtained by *efforts*, more or less arduous. By those efforts the service is rendered, and the value is in proportion to the service, or is supposed to be so. In the *utility*, which is the free gift of Nature, there can be no value, for nothing has been, or ever can be, given in return. Therefore, nothing is paid for the gold, which is

the *gratuitous* service of Nature ; but the payment is for the service of man, by whose efforts the gold was obtained, and the price is the measure of the value of that service. This has been before explained, and is here repeated that it may be remembered.

If the workmen understood these things better, there would be no *strikes*.

They would see that, if all attempts of Governments to regulate by law the rate of wages are useless and mischievous, still more hurtful is the interference from another quarter ; that is, when men, who are *not* lawful governors, and have no legal authority, combine together to control their neighbors, and to dictate to each man what wages he shall pay and receive, and how he shall dispose of himself and his property.

They would see that, an *unsuccessful* strike must reduce them to a worse state than even the poor negro-slave, for the most hard-hearted slave-master finds it for his own interest to allow his slaves enough of food and other necessities to keep them in health and strength.

But they would also see that, a *successful* strike is still more mischievous, because its mischief is more *lasting*. The ignorant and violent men who have acquired dominion over their fellow-workmen, and over the masters, exercise the power to the injury of both. They do injury to the workmen by reducing all to the same level ; preventing any one from being a gainer by good conduct, or from being discharged for bad conduct. Thus they take away all motives for exertion, and destroy the energy, the industry, and the character of the workman ; and by thus spoiling the workman, and forcing the masters to pay higher wages than they can afford, and interfering with the arrangement of their business, they make their trade unprofitable. Some of the masters are ruined. Others turn all their capital into money, and

either give up business, or go to America, or to some other part of the world where such folly and wickedness are not pursued.

But the work-people remain. Some of them try to learn new trades ; but those who seek to maintain themselves in this way, generally find themselves prevented by other Trades Unions ; the workmen combining to keep out all new-comers. Some live on the charity of their friends, and some subsist by begging, or go into the work-house.

In England, all those who are not wanted to till the land find employment in manufactures and commerce.

In Ireland, combinations have driven away most of the manufactures and commerce, so that *all* the people are forced to seek employment on the land. As there is not land enough for all, there is a continual struggle to obtain land and to keep it, which often leads to outrages and murders. It is a common practice, in many parts of Ireland, to let small plots of land,—an acre or less,—to the poor Tenantry, at the rate of £5 and £6 per acre, and even up to £10 per acre, per annum. These holdings, though continued from year to year, unsecured by any Lease, are universally regarded by the holders as indefeasible estates of inheritance, and are continually being sold by them to their own class for 20 and even up to 30 years' purchase. Sometimes the real land-owner interferes, but then, if a resident, sometimes he is shot ; or, if an absentee, sometimes his agent is shot. Such is the state of things over the greatest part of Ireland, as regards the Land-proprietors.

Formerly, Dublin was a great place for Ship-building. Now, no Ships are built, and scarcely any even repaired, there ; because the Shipwrights' Union has driven elsewhere all the master ship-builders whom it has not ruined. The ship-building trade of Liverpool has greatly declined from the same cause,—the folly and tyranny of

the Unions. Dublin, also, was formerly a great place for the manufacture of furniture: now, most of the furniture used there is imported from London. At Sheffield, Trades Unions are all but omnipotent, for their laws have been ruthlessly enforced by murder, incendiarism, and infernal machines. The results are these;—the most skilful workmen have emigrated to the Continent, or America; Sheffield has lost several branches of its trade, and Sheffield would have been thrice as large, and thrice as flourishing, if such a thing as a Trade Union had never existed there.

Thus it is that, a whole country may be made poor and miserable, in comparison of what it might have been, through the effects of these combinations; for they injure not merely those engaged in them, but every one else also, by preventing the employment of capital in setting laborers to work, by which they might support their families.

Most of the people of this kingdom reckon themselves free men, and boast of their liberty. They profess themselves to be ready to fight and to die, rather than submit to slavery. Yet many of these people choose to subject themselves to a tyranny more arbitrary and more cruel than that of the worst Government in the world. They submit to be ruled by tyrants, who do not allow them to choose how they shall employ their time, or their skill, or their strength. Their tyrants dictate to them what masters they shall work for, what work they shall do, what machines they shall use, and what wages they shall earn. Sometimes these tyrants order them not to earn more than a certain amount; sometimes not to earn less; and sometimes to refuse all work, and see their families starve. They are heavily taxed for the support of their tyrants, and if they disobey, they are punished without trial, by cruel beatings, by having their limbs broken, or their eyes put out with vitriol, and by death.

These unhappy persons are those who have anything to do with *Trades Unions and Combinations*.

But, as Archbishop Whateley says :—"It is some comfort to reflect that the people have it in their own power to remedy the worst evils which they are liable to. Whenever they come to understand their own true interests, they will agree to resist all illegal combinations. They will resolve to act together firmly, not in resisting the law, or in seeking for alterations in it, but in supporting the law, and resisting all who try to encroach on any other man's rights. They will do their utmost to secure for themselves and all their countrymen *true* liberty ; that is, that every man should be left free to dispose of his own property, his own time, and strength, and skill, in whatever way he himself may think fit, provided he does no wrong to his neighbors."

If working men in general could come to an agreement among themselves to reduce their day's labor from ten to nine hours, that would be a reasonable and wise agreement, provided they agreed at the same time to a reduction of one-tenth from their wages, calculated at ten hours' labor ; and if the working-people understood their own interests they would see that, these would be better terms for themselves than if they received ten hours' pay for nine hours' work.

This is as capable of demonstration as the simplest sum in figures ; but this demonstration has been worked out so often and so conclusively that, it will not be repeated here. All attempts to raise the wages of labor by combinations of working-men must fail, and re-act with fearful loss to themselves. But there is no use in attempting to prove this to ignorant men who cannot follow the reasoning. The leaders, who are mis-leading them, are, for the most part, as ignorant as those whom they are misleading, and the few who know better are mere panderers and spongers, maintaining themselves

out of the wages of their dupes. These last are the miscreants, with whom to reason is to waste words.

The working people, formerly neglected, are now made too much of,—too much talked of,—and too much temporised with.

The only remedy is, to educate them, and to enforce the law with severity against unlawful combinations,—*i. e.* against all associations which use compulsory means, directly or indirectly, for enforcing their illegal regulations. The law ought to be made to reach those who even advocate in public such means, as enemies of social order,—as if they were advocating incendiarism, or assassination. It is trifling to talk of the liberty of the subject, when the very existence of order in society is threatened by the public avowals of a few ignorant revolutionary ruffians. All these political Philosophers should be brought to open trial before a Jury, and if convicted of disseminating principles for the destruction of property and order in Society, they should be brought under prison discipline. Honest intentions are no better excuse for such fatal follies, than is madness for murder. Society looks to the law for preventing the repetition of such enormities.

The working man must be taught to know and to understand that, if the hours of labor be reduced the cost of production and the price of the article produced will be enhanced, and that, his wages must be reduced in like proportion.

The question is really with the men, not with the masters. Can the working man afford to reduce the hours of labour? No doubt, they can and ought. But, then, they must reduce their expenditure in intoxicating liquors and tobacco.

The annual expenditure of the population of the United Kingdom in fermented liquors and tobacco exceeds £100,000,000 ; that in beer and spirits only

reaches £75,000,000. In England alone the consumption of intoxicating liquors would allow an expenditure of £10:15:6 to each adult male. It may be fairly estimated that, the expenditure of the working classes alone in drinking and smoking is not less than £60,000,000 a year, of which £40,000,000 is mere extravagance and excess.

Here are ample means for reducing the hours of labor, and also accumulating capital by savings.

A reasonable amount of leisure may be, and ought to be, a blessing; but if ill used it is not a blessing but a curse; and if a blessing, like all other blessings must be "bought with a price." No one acquainted with the average mental and moral condition of the mass of our laboring population will contend that, at present the gift of three or four hours of added leisure per diem would be in any sense a blessing to themselves or others. Education and civilisation must be much further advanced than they are yet, before anything but unmixed evil would be the result.

A reduction of the hours of labor in any trade can be maintained only *on condition that, the cost of production shall not thereby be enhanced*. This is the *sine quâ non* which must always be borne in mind.

The same must be the effect on all trades, and the *certain* effect of a general limitation of the hours of labor,—if now made,—must be a general advance in the price of everything which labor produces, and which the laboring man buys:—therefore, his wages, if the same, will not buy nearly as much. But if the laboring classes were better educated and better understood their own interests, the reduction of two or three hours in their day's labor would be an inestimable blessing to them and to their families, for they would then better understand the real meaning and rights of capital, and by more provident habits they would learn to accumulate

it out of savings, and by co-operation would thus become themselves the employers and the employed, drawing their daily wages from their share of profits. This co-operative principle is a legitimate principle, capable, practically, of unlimited extension, and to this the attention of the working classes should be directed, that their ambition may be excited to the attainment of this most desirable end. Nothing could so much tend to elevate the character of the working man, as to be himself in the position of master and workman,—himself employing himself, and himself reaping the full profits of his own labor,—and bringing up his sons to increase his invested capital by savings out of their labor to share with himself ultimately in the profits.

In this way an immense capital might be profitably employed throughout the whole kingdom, and the working classes would then appreciate the rights of capital, as ‘bought with a price’ out of the savings of labor.

Those idle miscreants who are now living on the wages of the poor ignorant working people; and those ‘profound thinkers’ who are now deceiving them,—all such political philanthropists would soon find their vocation at an end, for they would then lecture in public at the peril of their lives. The low and ignorant democrats would resume their work as cobblers, tailors, and tinkers, and would soon be forgotten; and the pretended philosophers, political economists and what not, with their false and abominable theories, like those insane enthusiasts, St. Simon, Enfantin, and other visionaries of the past, would be remembered only with pity and contempt.

But, ignorant and foolish as are all these associations no Trade Union ever came up in ignorance and folly to the Land Tenure Reform Association, for a more equal division of the land of the kingdom.

To reason with such men as these, who express an

eager desire for the possession of land on the easiest terms, would be like reasoning with the highway-man who expresses an eager desire for the possession of one's purse.

The best way of dealing with this new sect of political economists, is simply to make public their names,—as fraudulent adulterators ought to be dealt with,—and thus expose them to the ridicule and contempt of mankind, as common cheats.

INTOXICATING DRINKS.

Although it may not fall directly within the scope of our subject, yet it will, certainly, be introduced by many indirectly, and will be used by them as an argument against the removal of all Duties from Beer, Wine, and Spirits,—on the ground that this will be injurious to the physical and moral state of the People, by tending to the increase of drunkenness.

Without entering deeply into this question, on which so much has been said and written on both sides, a few remarks, though merely superficial, may be here usefully introduced, if only to place the question in its true position, that those who are under the impression that, the taxation of intoxicating drinks will prevent the abuse of them, may disabuse their minds of any such simple delusion. Strange and incredible as it may seem to many, yet it is true that this impression so strongly pervades a large party in this country that, it is actually urged by them as their strongest objection to any Scheme of Taxation which proposes the abolition of these Duties!

This must, therefore, be treated as one of the Objections proper to be answered, notwithstanding it will appear to many to be too absurd to deserve a serious answer.

However, the answer shall be as serious as the nature of the objection will admit of.

It is impossible to deny that, the removal of all duties from beer, wine, and spirits, will have an immediate and direct tendency to increase the consumption. But this is quite as true when applied to tea, coffee, tobacco, and sugar; and, perhaps, the increase in the consumption of these will be in a much greater proportion. The cheapening of necessities and luxuries has an immediate and direct tendency to increase the consumption. This is a necessary consequence, but is not necessarily an evil, as the Temperance Advocates seem to imagine. That that which is good in moderation becomes evil in excess, is a truth applicable to many other good things besides beer, wine, and spirits. But as it requires a power beyond the human to eradicate evil, the best way of proceeding is, to make the good as abundant as possible, that it may prevail over the evil. It seems as if this life were meant to be a trial between good and evil. A hard struggle we know it to be, and it appears to have been ordained from the first, that it should be so. The Temperance Advocates seem to think that this is wrong, and they would have it, and think that they can make it, otherwise. They admit that, the human being is created a free agent, but they think that he should not be permitted to remain so on this particular occasion. They remember the words of Him who said that, all who believed in Him, and lived according to His words, should be strong enough to resist all evil,—should be strong enough to stand in their own strength, that is, in the strength which He would give them, for, as He also said: “Without me ye can do nothing.” They say that, they believe in all this; but, at the same time they say—‘Do not trust yourself—take an oath that you will not trust yourself—call God to witness that you do not trust His Word—that you have greater faith in your

own pledge to men, (for that is the real meaning of the pledge) than in His pledge to you ;' and so, in token of their faith in their own pledge, they hang around the neck of their proselyte, a little silver medal, suspended to a little blue ribbon !

They would make the poor simpleton believe that, he may thus deprive himself of that free agency, which, in this particular, was so improperly given to him, and that he may thus avoid the sin which, otherwise he is too weak to resist !

Now, what has been the result of these little schemes for fettering man's free will ?

This question has been answered by Mr. George Lucas, one of the ruling members of the " United Kingdom Alliance for the Suppression of the Traffic in all Intoxicating Liquors as Beverages."

Here is his answer in his own words :—" I have here an Abstract of the working of the Leeds Temperance Society, from its origin in 1851. I find, in 1857, there were in connection with it 14 branches, 29 weekly meeting-places, 118 speakers on the plan, a Temperance periodical issued, and a regular system of visiting established. Now, 13 of these branch societies have died out at one time or another, and I think now only 4 of them have an existence, while only one of them has made vital progress. The 29 meetings have been reduced to 3. No speakers' plan exists, no system of visiting, no publication is issued. During the whole of the existence of this society, there has been a zealous and able committee, near £4000 expended, the best advocates in the world commanded ; but, in spite of all, these reverses have been endured ; and none so much deplore it as those noble men who have labored to promote the cause. Take now a few facts respecting Woodhouse Society, the one with whose history I am most familiar. It was established 19 years ago, had an active

committee, every means that ingenuity could devise to promote its success was employed during a space of ten years, when the committee took a solemn review, and were entirely dismayed. They had got the people with them, but they had gone back again, and could scarcely tell from whence their committee could be sustained. This was their condition after ten years of earnest and sacrificial industry had been devoted to the cause; and I am satisfied, so far as I have ascertained the facts relating to Gateshead, and the Temperance Societies in general, that this is a summary of their history in the kingdom."

Such is the testimony of an unexceptionable witness respecting the modern scheme for the regeneration of society!

Truly,—as said by Dr. John Barclay, of Leicester, in his admirable pamphlet on "Ale, Wine, Spirits, and Tobacco,"—"The first and only real Temperance Society was established a little more than 1800 years ago, and by that Society of Christianity we are bound to be temperate, not only in drink, but in everything."

The cost of the liquors consumed in the United Kingdom yearly, is estimated at £60,000,000. Accepting this estimate as not extravagant, and assuming that one-third of that sum represents the amount paid for the quantity worse than wasted *in excess*, in that drinking which does perceptible harm to the tippler, this gives £20,000,000 as the sum lost to the nation by excessive drinking; and of this sum so wasted, the Exchequer is supposed to gain, and does, in fact, receive from duties, about £5,000,000, leaving the yearly sum of £15,000,000 worse than thrown away by the working class of this country; the whole revenue derived from spirit duties being about £11,000,000 annually. These estimates are sufficiently near the exact truth for the present purpose.

Now, what are the conclusions to be fairly drawn from these facts without reference to any party feeling in the Temperance Question?

The conclusions are these:—

- 1.—That £40,000,000 sterling represents the cost of the liquors annually, and not improperly, consumed in the kingdom.
- 2.—That £20,000,000 sterling represents the cost of the liquors annually, and improperly, consumed in the kingdom.
- 3.—That £5,000,000 sterling represents the revenue derived annually from the liquors so improperly consumed.

Can it be fair or wise to stop or impede the supply represented by £40,000,000, to those who do not improperly consume, for the purpose of stopping or impeding the supply represented by only £20,000,000, to those who do improperly consume?

Can it be just or wise in a Government to draw a yearly revenue of £5,000,000 from that which is known and admitted to be so improperly used?

There can be but one rational answer to these two questions. It cannot be fair or wise to commit an injury to the larger number, for the sake of doing a service to the smaller number. It cannot be just or wise to make a profit of that which is an admitted wrong. But would the sacrifice of the majority in this case save the minority? Would it even serve them? All experience has established, what reason without experience might have shown, that it could neither save, nor serve. It is so notorious as to be universally admitted that, notwithstanding all the enthusiasm and energy of the numerous Temperance Societies and Alliances, drunkenness among the working class greatly prevails. And yet, among the upper class, it is equally notorious and as universally admitted that, drunkenness is so greatly diminished that, to see a

drunken gentleman or lady,—(the last especially) is quite a remarkable occurrence.

Why this distinction? if it be a question only of human appetite, as the Temperance Advocates treat it. Ladies and gentlemen are human beings, with human appetites quite as keen for sensual pleasures as their inferiors; and, certainly, are not restrained from gratifying the habit for drink by want of means or opportunity. And in what does the inferiority consist, but in the inferior power of restraining the appetite by the reason? The evidence of this is in the fact, and is admitted in the very argument of the Temperance Advocates.

They say;—"tax spirits."

Well,—spirits are taxed, but still, the poor, who can ill afford, buy them, and get drunk. Therefore, the objection lies in the excess. The Advocates say;—"tax higher, and you will prevent this excess." But, how so? The rich, who *can* afford, do *not* get drunk. This shows that it is not in the facility of getting drunk, but the desire to get drunk, that makes the drunkard; and this is further shown in other countries, where the facilities are much greater than in this, and yet drunkenness is much less common.

But, suppose the tax prohibitory. Would that stop or materially diminish the vice? Those who think so must have but little knowledge of human nature. It would neither stop drunkenness, nor materially diminish it. But it would increase smuggling and illicit distillation, and would very materially increase other evils, which would lead to other crimes.

But assume the tax prohibitory, and the smuggling kept down by a sufficient armed force, which must be at a cost nearly as great as the whole of the present revenue derived from the spirit duties. Would intoxication then be put down, or materially diminished? Who can suppose that? Would the desire be less, when the people

were made frantic by the loss of that which they desired ? To suppose that, is to suppose human nature different from what it is. The evil desire remaining would seek its gratification in some other way, and would obtain it. We might expect to see it very soon in the new character of the Opium Eater, as yet, fortunately, almost unknown in this country. We have not yet experienced that sort of intoxication ; but we have heard of it, and of its effects. We should soon hear of more murders, robberies, and personal injuries—much more of all the evils of listless idleness, and reckless debauchery, than we had ever before heard or dreamt of in “merrie England.” We should soon lose our *prestige* as a Nation, for we should lose our National Character as a People. We should be referred to as a Nation and People once great and powerful, because good and true. Drunkenness is a great vice, and leads to many other vices, and to many crimes. But the British People have always been great drunkards ; and, yet, they have always been considered to be, and they have always proved themselves to be, a great People. They can never be made sober by legislation either “permissive” or prohibitory.

So much for the Temperance Party.

Now for the Temporising, or Timid, Party, more moderate in their views and language, but little better reasoners, who fear the increase of drunkenness from the abolition of all duties on beer, wine and spirits, and who would rather see these duties raised than removed or reduced.

These Gentlemen think it too dangerous an experiment to remove all duties. They consider high duties on these articles desirable for discouraging drinking, and they entertain some vague notions that, in the march of improvement, particularly by education, intemperance will be cured in the working class, as it has been in the upper class ; and, therefore, they are for temporising.

But the root of the evil lies deeper than they see, or choose to acknowledge. It is not in the facility of obtaining supplies, for it is not a real want. It is not even in the drink itself. It is in the want of something better. It is the gross sensuality which makes inebriating drink, to some, the sweetest pleasure. It brings to them that temporary relief which, in their position, they feel the want of, and which defective education cannot furnish. As Dr. Johnson, in answer to Boswell, said :—“Sir,—who makes a beast of himself, gets rid of the pain of being a man.” Madmen are all sensual, in the lower stages of the distemper. They are eager for gratification to soothe their minds, and divert their attention from the misery they suffer. To a fatigued body, and an uninformed and unoccupied mind; degradation soon becomes tolerable, and self-denial all but impossible. Higher tastes being uncultivated, habits are formed by circumstances. If the circumstances be depressing, the habits will be low. It is in the persons, not in the beer or gin; in their habits and circumstances, not in their drink; in the unfurnished mind, in the cheerless home, not in the flaring gin-palace, or in the comfortable parlour of the country ale-house. What avails it to close the gin-palace, and the public-house, if the mind be still unfurnished, and the home still cheerless? What avails it,—if that were possible, which is not,—if the prohibition were complete? The first effect would be a sudden increase in the consumption of opium,—and that prohibited,—what next?—and what next? That would be to guess,—but, certainly, it would not be temperance. By an army of spies and informers and by tyrannical laws, the People may be made prisoners, and the Kingdom one huge gaol, but they will not have been made temperate.

The most fatal cause of intemperance is the want of something better. This cause applies more to the work-

ing classes than to others, and, therefore, intemperance is more common among them. Like all uneducated, or ill-educated, persons that have no intellectual tastes, sensual gratifications are almost the only pleasures they can appreciate. In the midst of a high civilisation they retain many of the characteristics of savages; with one predisposition more to intemperance, in that they lead a much less healthy life. When they have warmed and fed themselves, how can they employ what remains to them of time and money more agreeably to themselves, than in the buying of spirits, or beer and tobacco? When they have time to get drunk, they get drunk. That is their way of spending their money and leisure to procure the highest pleasure they know. In higher life, balls, operas, and dress, produce to some the highest pleasure, and that is their way of spending their money and leisure. What cards, clubs, operas, dances, dinner parties, are to men in one sphere of life, the public-house is to those of another. It is the place where they find that enjoyment which they most value, and which they can find only there.

If this be the state of the case—and who can doubt it?—does not this suggest other and wiser means of dealing with drunkenness, than by taxing, or prohibiting beer and spirits, and suppressing public-houses?

As well remarked in "The National Review," January 1860,—“The workman, as a rule, reads but little, even where he reads at all. The penny newspaper is with him the chief literary rival of the beer-can. And if it were so with us, we doubt whether the literature would carry the day. The Workman's home offers to his senses none of those gratifications which the middle class man finds in his. Its rooms are inevitably small, because, especially in towns, little space can be given for the rent he can or will pay. They are ill-furnished, because he had little money saved for furnishing when

he married at two-and-twenty, and because he had not that educated intelligence which would enable men of a higher class to extract much substantial comfort out of small means. They are untidy, often unclean; for his wife is a bad manager, and his family is numerous. His supper is ill cooked, and, of course, therefore unwholesome. In a word, he is thoroughly uncomfortable in body, and his mind vacant. What wonder, if he seeks comfort and amusement where only he can find them?"

One of the chief causes of intemperance, indicated by its prevalence among workmen in well-paid trades is, the low standard of living adopted by the working class. The more that can be done to induce the workman to increase his home comforts and requirements,—the more that can be done to improve his dwelling-place,—to encourage his dormant taste for decent accommodation, for good furniture, for cottage ornaments, for wardrobes, with good and suitable clothes for himself and boys, with good and suitable dresses for his wife and daughters,—the more interest he can be induced to take in these things the better man will he be, and the less drunken. Men in all classes will make great exertions, and great sacrifices, in order not to fall below their usual style of living,—“to keep up appearances,”—and avoid loss of caste; and workmen in these respects are not less proud than their employers. Once raise their standard to the average level of their earnings, once induce the formation of a higher standard in the ranks of the working class, and a death-blow is struck at national intemperance. Teach the workman (if he will be proud,) to be proud of his home, and of the appearance of his family; and the best part of the work of education, for him, is then done, his steps are then diverted from the public-house, to his home.

But now, the public-house is the working-man's club,

and a club of which he has more need than his betters have of theirs, inasmuch as he has less enjoyment at home. Give him a better one, and, may be, he will leave this; but, a club he must have. He needs society, —he needs a comfortable room to sit and smoke and hear the news in, to keep his mind from sheer vacancy, and he needs it the more because his work is generally the same dull routine of labor, and he reads so little.

As a working-man himself has expressed it:—"The working-man after his day's work, wants a little company, and news. Mostly he can get that only at the public-house. He does not care much for the drink, but as he cannot have the company without the drink, of course, he takes it. The habit, in some cases, grows upon him, and he becomes a drunkard."

Why wonder at this which is all so natural? Where is he to go for necessary change and recreation? Where but to the public-house? Can he go and enjoy his pipe and his company at home, in his one small room, his wife working there, and rocking the cradle with her foot? She would scarcely thank him for that.

"The Country Parson" must have given the following description from living scenes:—

"How well one can understand the state of mind of a poor man quite crushed and spirit-broken: poisoned by ceaseless anxiety: with no heart to do anything: many a time wishing that he might but creep into a quiet grave; and, meanwhile trying to shrink out of sight, and slip by unnoticed! Despair nerves for a little while, but constant care saps, and poisons, and palsies. It has shattered many a nervous system, unstrung many a once vigorous mind, crushed down many a once hopeful spirit, and aged many a man who should have been young by his years."

Dr. Southwood Smith, whose long and loving labors

to improve the moral and sanitary condition of the working classes, and whose great experience and medical skill, added to great abilities and untiring zeal, have placed him highest in the list of authorities on this subject, has, on this particular part of it, thus expressed himself:—

“A clean, fresh, well-ordered house exercises over its inmates a moral, no less than a physical, influence, and has a direct tendency to make the members of the family sober, peaceable, and considerate of the feelings and happiness of each other; nor is it difficult to trace a connection between habitual feelings of this sort, and the formation of habits of respect for property, for the laws in general, and even for those higher duties and obligations the observance of which no laws can enforce. Whereas, a filthy, squalid, unwholesome, dwelling, in which none of the decencies common to society—even in the lowest stages of civilisation—are or can be observed, tends to make every dweller in such a hovel regardless of the feelings and happiness of each other, selfish, and sensual. And the connexion is obvious between the constant indulgence of appetites, and passions of this class, and the formation of habits of idleness, debauchery, and violence.”

Then, again:—look at the Trades Unions, the Benefit Clubs, and Friendly Societies, (as these are miscalled) so thickly spread over the kingdom, and,—among their many other abuses—see how fruitful they generally are of encouragement to drunkenness.

No terms of denunciation can be too severe against the practices of these most injurious Associations. No language can express too strongly the dangerous influence which they exercise for leading into the worst sort of temptation those whom they get into their power; nor too strongly reprobate the means by which they obtain and hold their power. For a full understanding of

these means, and of this power, and of all the injurious consequences, the facts must be sought for in numerous printed Reports of the proceedings of these Trades Unions, and Benefit and Friendly Societies, and especially in the various Reports of Select Committees of the House of Commons, the main results of which can here be only very slightly glanced at.

Few, perhaps, have bestowed, or ever will bestow, the time and pains necessary for bringing from darkness into light the numerous and important facts bearing on this question, and buried in those repositories for dead truths. But *there* are to be found the true causes of intemperance, and it must here suffice to say that, those causes are not in the facilities for getting drunk, but in the little encouragement given for keeping sober.

That this was Burke's view, is evident from the following extract from his political writings:—"As to what is said, in a physical and moral view, against the home consumption of spirits, experience has long since taught me very little to respect the declamations on that subject—whether the thunder of the laws, or the thunder of eloquence "*is hurled on gin,*" always I am thunder-proof. The alembic, in my mind, has furnished to the world a far greater benefit and blessing, than if the *opus maximum* had been really found by chemistry, and, like Midas, we could turn every thing into gold.

"Undoubtedly there may be a dangerous abuse in the excess of spirits; and at one time, I am ready to believe, the abuse was great. When spirits are cheap, the business of drunkenness is achieved with little time or labor; but that evil I consider to be wholly done away. Observation for the last forty years, and very particularly for the last thirty, has furnished me with ten instances of drunkenness from other causes, for one from this.

"Ardent spirit is a great medicine, often to remove distempers—much more frequently to prevent them, or to

chase them away in their beginnings. It is not nutritive in *any great* degree. But, if not food, it greatly alleviates the want of it. It invigorates the stomach for the digestion of poor meagre diet, not easily alliable to the human constitution. Wine the poor cannot touch. Beer, as applied to many occasions, (as among seamen and fishermen for instance) will by no means do the business. Let me add,—what wits inspired with champagne and claret, will turn into ridicule—it is a medicine for the mind. Under the pressure of the cares and sorrows of our mortal condition, men have at all times, and in all countries, called in some physical aid to their moral consolations,—wine, beer, opium, brandy, or tobacco.”

Some may think Burke, even on this question, no common authority: at any rate, this reads very like common sense.

From all this, we may learn a useful lesson, which is, that if we would make the People better, we must first make them happier.

The miseries of human life are made up of large masses, each separated from the other by certain intervals.

But the happiness of life, on the contrary, is made up of minute fractions—as Coleridge said:—“the little soon forgotten charities of a kiss, a smile, a kind look, a heartfelt compliment in the disguise of playful raillery, and the countless other infinitesimals of pleasurable thought and genial feeling.”

But it is a happy world after all,—and was, surely, intended to be so for all,—as we may see in a spring noon, or summer’s evening, when myriads of happy creatures crowd our view, whichever way we turn our eyes. As Paley said:—“their sportive motions, their wanton mazes, their gratuitous activity, their continual change of place without use or purpose, testify their joy,

and the exaltation they feel in their liberty, and lately discovered faculties."

Can any one contemplate this lowest insect life, and for a moment doubt that this world was intended to be a happy one for the highest human life? And if it be not a happy world,—why is it not?

Perhaps, the answer is to be found in man's wickedness—and, mainly, in the cruelty and injustice of man to man.

As Miss Martineau has well said:—We must look to sound knowledge and the cultivation of the higher parts of man's nature to cast out the grosser vices. Vows and mechanical associations will not do it. Sumptuary and inhibitive laws will not do it. As far as the law can go, there is nothing for it but perfect freedom for buying and selling all that concerns the necessities, comforts, conveniences and decencies of life,—all the free gifts of Nature, without any of the artificial restrictions in the form of imposts. If our Customs and Excise duties were removed, and our licensing system abolished, we should find that, men cannot be made virtuous by Act of Parliament. We must give them knowledge, and intellectual and moral freedom, by means of Christian Education, arming them against not only the demon of drink, but the whole legion of devils, by giving every man the entire possession of himself, in all his faculties.

HOW TO MAKE INTOXICATING DRINKS HARMLESS.

We have already said that—'the causes of intemperance are not in the facilities for getting drunk, but in the little encouragement given for keeping sober.'

We will now show how more encouragement may be given, and how effectual that may be made.

To make out even a plausible case for prohibition, it

must be proved that this would be an effectual remedy, and that no other can be found. Both these propositions are asserted by the prohibitionists; but neither of these has been, or ever can be, proved.

It is said to be easier to make a nation of abstainers, than to cure a nation of drunkenness. But what has ever been done to prove this, or to lead any one of common sense ever to expect this?

But this is not the question. The choice is not between abstinence and drunkenness, but between moderation and excess.

It has yet to be shown that moderation cannot be obtained without the aid of prohibition; or, that temperance is impossible. It has yet to be shown that a Maine Law will accomplish its object. If it stop drinking, will it cure intemperance? It does not reach the root of the evil. The root lies much deeper. It is not in the facilities for drinking. It is not even in the drink itself. It is in the want of something better. Raise the working man's standard of comfort. Give him new wants, and thereby raise his standard of intelligence. But first, it is essential that all his domestic comforts should be increased. These will create the new wants, and will also go far to provide for them. The want will not be provided for until it be felt; and, if all things be right, the want will find means to provide for itself. For this no law but the law of Nature is required. Any interference with that law is a manifest injury. It is not within the province of human law to interfere with the freedom of individual will in that which concerns the individual alone. It is no justification of such interference to say that, the exercise of that will reflects injury or pain to others. Reflected injury or pain, which is transferred through the feelings, is not properly cognisable by human law, though it may be open to social reprobation.

It may be said that, no individual member of society

can inflict an injury on himself alone. That, in the extended sense, may be true. But that is not the sense in which the expression is here used. The rights of individual freedom of will are sufficiently defined in this country to make the expression, in the sense here intended, easily understood.

The object is, to show that any attempt to limit or control, by human law, the free exercise of individual will, so defined, is unwise, and, in the end, must always fail. Human beings were created free agents, and they cannot, by human laws, be altogether deprived of free agency, even though it may often be exercised to the injury of themselves and others connected with them. But we may be sure that, there is a remedy for every human evil, and, certainly, for this; never *by* human means alone, but always, nevertheless, *through* human means. The remedy can be only through human laws and practices, in conformity with the Divine Law of Love, which combines Justice with Mercy.

The man who has learned self-respect may be held to be emancipated from the thralldom of intemperance. The spread of institutions which is now taking place in the manufacturing districts for providing society and comfortable accommodation, seems likely to have in this, as in many other respects, a most healthy influence on the character and habits of the working classes. But to improve the working man's home should be among the first objects—as it certainly would be among the most powerful means—of those who desire to improve his habits. At present, the laboring classes have a keen appreciation of luxury in the gross form of plenty of good food, and strong drink; but little appreciation of what is understood, among the more refined classes, by comfort, because little used to it. Now, nothing is so likely to diminish both their desire for, and their willingness to pay for, luxuries, as an increasing love of comfort.

How these first objects are to be attained, is the question now to be answered.

This question has been already answered, and the answer is simply this :—by setting Trade and Labor free from all imposts, duties, and restrictions ; establishing Free Trade, and relieving the Wages of labor and the Profits of Trade, as such, from all taxes. The working-classes would then receive in full, and enjoy unrestrained, their wages of labor.

The unprecedented extension of trade would occasion such an unexampled demand for labor that, an increase in the general rate of wages would be a necessary consequence. Not only would the money value of wages be increased by the reduced price of all the necessities and luxuries of life, but also the actual amount of the wages would be increased in proportion to the increased demand for labor. Nor would the reduction of prices be only in the amount of duties abolished. Trade, and the profits of Trade, would be so increased by the removal of all restrictions and impediments, that competition would bring down prices much below the amount of duties taken off. The increased trade would cause a great increase in the number of ships, and this increase would lower freights. The increased demand would cause a corresponding increase in supplies, and competition would lower the cost of production. Thus, the price to the purchaser would be much lower than the reduction by the amount of duty taken off, though all these operating causes would emanate directly from the duties removed.

All these are so clearly necessary consequences as scarcely to need being pointed out.

It has, already, been shown that ninety-nine hundredths of the whole population hold no part or share in the Nation's Debt, and yet that, nine-tenths of the yearly charge for the Interest and Management of this

Debt is paid by the working classes, and one-tenth, or thereabouts, by the property class.

Under the new state of things proposed, all Savings' Banks, Benefit and Friendly Societies would give place to more simple and sensible proceedings. Public and private improvements would *then* keep pace with public and private prosperity, and poverty would *then* be the exception, instead of being, as now, the prevailing rule, among what are now called the *lower* classes.

The wages of labor for the working class would *then* be, in purchasing power, at least, one-third more than the present amount, and would be ample for providing them with decent and comfortable dwelling-places, fitted up, furnished and provided with all that should be in every working man's home,—with all that should be in every Christian home for decency and social comfort.

With good order and homely taste so cultivated and encouraged, education would exercise more influence on the working classes, and they would then begin to appreciate good education, and moral training, in a manner never yet known amongst them. They would then find themselves, more than ever, dependent on themselves; and they would then learn to value independence for the innumerable comforts and blessings which it would bring with it. They would then find their weekly earnings more than sufficient for their weekly wants, and they would find a surplus to be disposed of, which they would be free to invest in their own way. They would then find many ways for investing it to their own advantage, and still to keep it in their own control. Many would invest it in their own little freeholds; many in little building, and other trade speculations. Great numbers would set up little shops, and start in various handicrafts, on their own account. But still greater numbers would advance their savings to their masters, on a certain share of, or per-centage on, the

profits of their manufactories, trades, or callings. What these accumulated savings might be, in the aggregate, some notion may be formed from the actual amounts now invested in Savings' Banks, Benefit Clubs, and Friendly Societies. That these savings would very far exceed in amount the aggregate of all such investments, can hardly be a matter of doubt; neither can it be doubtful that the savings, when brought into active operation as new and productive capital, would be attended with more beneficial effects to the country at large than any imaginable amount under the management of the classes who now hold and direct it.

Assuming that the present system of Savings' Banks, Benefit Clubs, and Friendly Societies, is productive of more benefit than injury to the country;—assuming that, notwithstanding the private jobbing with the contributions to the Benefit Clubs and Friendly Societies, and all the despotism and dishonesty of the ignorant managers;—notwithstanding the present practice of public jobbing with the large sums of money collected in the Savings' Banks, which adds to the permanent Debt of the Country no inconsiderable sum every year;—assuming the very questionable fact that there remains a balance of benefit,—still, who can doubt that, these vast sums of money added directly to the *productive* capital of the country would be attended with far greater benefits to all classes?

With such additional bonds of union, between all classes, as the new system would introduce,—which time would strengthen, and which mutual interests would make permanent,—what would become of the Trades Unions, the Benefit Clubs, the Friendly Societies, and other combinations, which the industrial classes, to their own great injury, are compelled to join, but which no compulsory law ever can, or ever ought, to suppress? All these would die a natural death, and the occasion of

their birth no longer continuing, there would, very soon, be no survivor.

But other Associations would arise, in many instances with similar objects, though conducted on very different principles, and held together by very different means.

These would be simply and purely for investing the savings of labor, under rules and regulations comparatively few and simple, and easily carried out, under the sanction and protection of Parliament.

What would then be the state and condition of the People?

Trade and manufactures increasing and extending, the demand for labor, and the rate of wages, must increase in proportion.

Population rapidly increasing with the prosperity of the People, the increased and ever increasing demand for the necessaries, and comforts, and luxuries of life, must maintain improved markets, not only for foreign productions, but also for our own produce, for which the Home Market must always be the best in the world. Thus, Rents must rise for the benefit of the Land-owner, Land and its produce, as well as stock, being in greater demand; and wages must rise for the benefit of the land-laborer, agricultural, as well as all other labor, being in greater demand. Thus, the landlord and the land-laborer, the farmer and the grazier, the stock grower and the salesman, with all their various and infinitely numerous subordinates and dependents, would all take their own appropriated shares in the universal prosperity.

Customs and Excise Duties all abolished, the necessaries and comforts, and many of the luxuries of life, would be accessible to all, at the nearest possible approach to the cost of production, and the observance of the decencies of life being within the power of all,

social reprobation for non-observance would be in stronger operation.

The Assessed Taxes being all abolished, would bring within the easy reach, of nearly all, much healthful recreation for mind and body, from which they are now cut off, to their own great injury, and no one's benefit.

The Stamps all abolished (except postage stamps), would relieve an immense class of Shop-keepers, and little traders, from an injurious, and, in many cases, oppressive, and in all cases, vexatious and foolish impost.

The Income Tax abolished, would relieve all classes, (and a very large class most especially requiring this relief), from an obnoxious impost, because unequal and unjust, and because directly encouraging fraud and perjury, with many other iniquities, all evils against social order, tending to demoralise society, and otherwise to cripple the resources of the country.

The Probate, Legacy, and Succession, Duties, all abolished, would relieve the whole class of property-holders of the kingdom from injurious, oppressive, and vexatious, imposts, which are sapping the very vitals of the Nation, and supporting a system of official fraud, which no watchfulness and skill can detect or counteract, and supporting a system of Government patronage which no supervision can control or direct.

The Land Tax abolished, and that farce ended,—with all these abolitions,—with this army of official retainers in Customs and Excise Departments, Stamps and Taxes Departments, and the other innumerable Public Offices, all disbanded, and their Commissioners, Clerks, Collectors, and other Confederates,—all swept away ;—with all these reliefs to the People, what a death-blow would be struck at DRUNKENNESS ! What an increase and extension of social and domestic comfort throughout the Land ! What an elevation of the standard of the working-man ! What a brightening of his present prospects,

and future hopes ! What an encouragement to provident care for his present, and for his future !—for himself, his Wife, and Children !—for present enjoyment in the young life of health and strength,—and for future provision in the days of sickness and old age !

Would the working-man drink away such a prospect as this ?

Would he turn away from this, for the Work-house and prison fare before him ? and which then ought to be his only alternative, his only resource,—the only resource for all, but the helpless children, the sick and the afflicted, the old and the infirm.

Would he then despise or neglect the blessings of good education and moral training, the force of good example, and the scorn of social reprobation ?

This has never yet been tried.

Who will dare to say it *must* fail ?

It *may* fail. But who can tell ? It has never yet been tried.

Why not try it ?

It *may* be true, and truth is always true.

But this we may know,—that human nature would then be working with us, instead of against us, for Justice would then be at work for us, and this ought to be sufficient, at least, to justify the trial.

It is said that, education fails to diminish intemperance,—that the most educated districts are the most noted for drunkenness. This may be so, or may not.

But it is likely enough to be true, and if it be, what is there in this to surprise any one ?

Is Education morality, wisdom, or prudence ? Nothing of the kind. Education is no more virtue, or the sign of virtue, than it is riches, or the sign of riches. It often accompanies virtue, but, at least, quite as often accompanies vice. So also it accompanies riches, but quite as often poverty. But virtue is often unaccompa-

nied by education ; and often so are riches. What King David said, some thousands of years ago, is much more to the purpose :—" I have been young, and now am old, and yet saw I never the righteous forsaken, nor his seed begging their bread."

That we must look to education as a means of correcting intemperance, as well as many other evil habits, is quite true. But it is a miserable mistake to look to this as the chief means, since it can never be anything more than one of the smallest, and then only in combination with other, and far more powerful, means.

The most powerful,—and, it might be said,—the only powerful means is, *moral training* from early infancy. This, under Divine Grace, we all believe to be all-sufficient. We are directed to "*train up* a child in the way he should go." We have no direction about Education.

Amongst human means, the first and most effective undoubtedly are, the forces of moral example, and of social reprobation. But, in the distress of destitution, and in the misery of social and domestic discomfort, even these forces, as experience so painfully teaches, do not avail to reform evil habits, and establish good. As long as human nature is as we find it, all the education which this world can give, will avail nothing to extricate human beings from intemperance, and other evil habits. They must be made to know and to respect their own position in the great social state by participation in its responsibilities, and also in its pleasures and enjoyments, and there must be throughout a well-sustained hope of something better, both here and hereafter. But especially there must be a sufficient supply of the wholesome necessities, the decent comforts, and the healthful enjoyments of civilised life open to all honest, able, willing, and industrious applicants.

To furnish these to all such applicants is the *first* duty of every civilised state.

It might even be said, and with much truth, that all such applicants,—especially Agricultural laborers,—have a strong claim to be *first* served. Something like this was said by that firm friend of the People, Cobbett, who, when dying, even when his senses had become dim, still muttered :—"I have ever been their friend. They make all things to come. It is right they should have their full share first."

In this way, those who come into the world without, what are called, worldly advantages, will learn that they have an important position to fill in the social state, with valuable rights and privileges, which are to them as much their property, as hereditary possessions are to others. Education will then help them to appreciate the advantages of their position, and to respect it. But as long as they have none of these advantages, it is too much to expect that Education should teach them to appreciate what has no existence, or to respect what is never treated with respect.

These are serious words, and are here used as a serious warning.

When the temperate and industrious man, able and willing to work, hears the cry of his bewailing wife, and the moans of his famished children, the chances are, if he be a very uneducated man, that he will rush out of his cold and cheerless dwelling-place, to the warm and comfortable room, and more agreeable society of the public-house, and that he will become a drunkard.

If he be a better educated man, the chances are that he will supply his pressing wants by breaking into his richer neighbor's house, and removing thence some superfluities.

In Ireland, where the human temperament seems to be warmer, and where education is more generally extended among the laboring class, than among the same class in England, the Father of the family, or his grown

up Son, rushes out of his wretched cabin with his loaded gun, and lurks behind a hedge for his expected Landlord.

Will the teacher, or the preacher, ever stop any of these men?

Never—whilst human nature is as it is, and is treated as it is.

Who is most to blame for this state of things?

THE GOVERNMENT OF THIS COUNTRY.

Who will be held responsible for these acts, when human motives are made clear, and human actions come to be weighed by the mighty arm, and the outstretched hand of unerring Justice?

Who can tell?

But what and if the rulers reject the remedy which has been brought before them!

This is no fancy picture which is here referred to, though not here drawn. It is not necessary to draw it here. It may be seen in this our much favored land, in every quarter, in every district, in every city, town, and village, in every street and alley, in every road and by-way, in every nook and corner. There the picture may be seen in all its hard reality. The People see it, all know it. Much is done to relieve it, but nothing to prevent it.

Will the People now think of the remedy here offered?

Will they inquire into it,—for their own sakes?

If they think it worth the trial, will they, through their representatives in Parliament, demand that the trial be forthwith made?

All that is wanted for the trial is, the will of a united People.

Without that the trial never will be made.

The strong will and firm resolve of a united People, bound together by their common interests, and acting in the exercise of their lawful privileges, is all that is

now required for restoring their ancient constitutional rights, and redressing their grievous wrongs.

Then will be seen, for the first time, a free nation,—a free People acknowledging freedom in its true sense, in laws and institutions; and then will be seen a nation reaping the results in prosperity and greatness unexampled in the history of the world. A free people and free trade will work together, and, as they work, so will they increase in numbers, wealth, and greatness. The many millions sterling set free by the abolition of Customs and Excise, Stamps and other Duties, and diverted into other channels, will be as so much new capital to be applied in productive industry,—in agriculture, trades, and manufactures; in higher cultivation, and reclaiming waste lands; in extending our trade, and spreading our manufactures more abundantly over the whole world;—thereby increasing the nation's wealth and power,—strengthening its bonds of union with other nations,—advancing the civilisation of all nations, and promoting the welfare of all People.

What would *then* be the picture of the interior of the cottages of the working classes throughout this kingdom? We may hope then to see, what now we only read of,—“merrie England,”—and,—“a bold peasantry, Britain's pride.”

The author of “Philip Van Artevelde,” in “The Eve of the Conquest” has well described our present state of high physical civilisation and refinement, in which knowledge is mistaken for wisdom, and the Nation's greatness for the People's happiness,—in the following exquisite lines:—

“Oh, England! ‘merry England,’ styled of yore!

Where is thy mirth? Thy jocund laughter where?

The sweat of labor on the brow of care

Makes a mute answer: driven from every door.

The May-pole cheers the village-green no more,
 Nor harvest-home, nor Christmas mummers rare,
 The tired mechanic at his lecture sighs,
 And of the learned, which, with all his lore,
 Has leisure to be wise?"

But though we may hope to see the time when 'merry England' will better deserve that name than it does now, yet the evils of life will still continue. They will trouble us *then*, but they will trouble us less and less. We see pain and death everywhere. All animated Nature suffers and dies. Life begins and ends in pain. Then pain has a great work to do. Then there is a vast good before us, to outweigh and annihilate it. We do not ask to be exempted from the common lot. In this, as in all things, we wish to go with our race. We pretend not to explain events, but we do see glorious issues of suffering, and these are enough. But, not by Education alone—not by attempting to make the people philosophers—will the glorious issues be brought about.

"Knowledge is power." This is a truth—glorious,—but, at the same time,—terrible. Knowledge is power—power for good, and evil. It is a power that may elevate man to the highest good. It is a power which may bring him down to the level of satanic evil.

As said by Plato, in the unaided light of his own great mind :—"Knowledge without justice ought to be called Cunning, rather than wisdom :"—a wonderful saying of that wonderful Pagan Philosopher!

Amongst the private papers of the late Sir Humphry Davy were found, after his death, the following thoughts, in his own handwriting, on the subject of popular education.

"I become every day more sceptical as to the use of making, or endeavoring to make, the people philosophers. Happiness is the great object of existence, and knowledge is good only so far as it promotes happiness.

Few persons ever attain the Socratic degree of knowledge to know their own *entire ignorance*, and scepticism and discontent are the usual *unripe fruits* of this tree—the *only fruits* which the people can gather.”

But all ought to be able to say that, they find life a gift increasing in value. Not a cup foaming and sparkling at the top, and growing vapid as we have drunk. Life is not a little cup dipped from the stream of time. It is itself a *stream*; and though at its birth it may dance and send forth cheerful murmurs, as it does not afterwards, still it is intended to flow, as it advances, through more beautiful regions, and to adorn its shores with richer verdure, and more abundant harvests. Do not say that this end is frustrated, or if it appear to be so, do not say that it is so by the Divine Will.

There are multitudes who have not found infancy and youth as happy as later years. Where it has been otherwise, it was never so intended.

Our cup runneth over. Life is truly a blessing to us.

Could we but see others as happy, what a world this would be! So it might be. So it ought to be. So it will be.

But it *is* a good world—notwithstanding the darkness hanging over it. The longer we live, the more we see the light breaking through the clouds. We are sure the sun is above them.

Man, as a *free moral being*, must be tried, must be exposed to temptation, must have a wide range of action, must be liable to much sin, and much suffering. From the essential laws of a free being, he can have no happiness but what he wins amidst temptation. A brute may be made as happy as it can be at first. Man, God's free moral child, cannot know happiness, till, by his own striving, he has risen to goodness and sanctity. We do not see how sin and suffering can be removed, but by striking out from our nature its chief glories.

But, one of the great excellencies of moral good is, that it aids us to enjoy all other good. The most perfect man is not he who confines himself to purely moral gratifications, but he who has a moral energy, through which all things are received and enjoyed by him in a wise order, and in just proportions. Other gratifications, thus controlled, become moral.

It was well said by Dr. Johnson:—"That all who are happy are equally happy, is not true. A peasant and a philosopher may be equally satisfied, but not equally happy. Happiness consists in the multiplicity of agreeable consciousness. A peasant has not capacity for having equal happiness with a philosopher. A small drinking glass and a large one may be equally full, but a large one holds more than the small."

These few reflections are addressed particularly to the leaders of 'Temperance Societies' with great respect for their motives,—but with great distrust of their means.

That the subject is one of very great importance to social order, and the well-being of the people, all parties admit; but on this point only do they all agree. They differ as much in their mode of reasoning, as in their conclusion. Some think this a fair subject for ridicule, and amongst these are not wanting the names of eminent Divines.

It may be interesting to some readers to be reminded of what the Rev. Sydney Smith thought on this subject, and here are his own words from the *Edinburgh Review* of 1819:—"There has been in all governments a great deal of absurd canting about the consumption of spirits. We believe that the best plan is to let the People drink what they like, and wear what they like; to make no sumptuary laws either for the belly or the back. In the first place laws against rum, and rum and water, are made by men who can change a wet coat for

a dry one whenever they choose, and who do not often work up to their knees in mud and water; and, in the next place, if this stimulus did all the mischief it is thought to do by the wise men of claret, its cheapness and plenty would rather lessen than increase the avidity with which it is at present sought for."

Such was the opinion, on this vexed question, of one of the most eminent men of his day, for practical piety, sound reasoning, combined with unrivalled wit and wisdom. And this opinion was expressed upwards of fifty years ago, before so much nonsense had been talked and written on the subject.

He shot the fiery darts of wit and ridicule where he knew that sound argument and sober truth would be unavailing.

But he preached from the pulpit the words of truth and soberness; and his whole life was an example of unaffected piety, and Christian Charity.

He shot his fiery darts chiefly against the wickedness and folly of our Legislators.

He was right in doing so then, and he did great good.

It is right to do so now.

With many shame prevails, when argument fails.

"Hypocrisy, the only evil that walks
Invisible, except to God alone,"—

still walks, and ever will; but he does good service who helps to expose it.

There is much canting hypocrisy about the poor, which is best met by ridicule. Burke said:—"Nothing can be so base and so wicked as the political canting language, "The laboring *poor*." Let compassion be shown in action, the more the better, according to every man's ability, but let there be no lamentation of their

condition. It is no relief to their miserable circumstances; it is only an insult to their miserable understandings. It arises from a total want of charity, or a total want of thought. Want of one kind was never relieved by want of another kind. Patience, labor, sobriety, frugality, and religion, should be recommended to them; all the rest is downright *fraud*. It is horrible to call them "The *once happy* laborers." Whether what may be called moral or philosophical happiness of the laborious classes be increased or not, I cannot say. The seat of that species of happiness is in the mind; and there are few data to ascertain the comparative state of the mind at any two periods. Philosophical happiness is to want little. Civil or vulgar happiness is to want much, and to enjoy much. If the happiness of the animal man (which certainly goes somewhere towards the happiness of the rational man) be the object of our estimate, then I assert, without the least hesitation, that the condition of those who labor (in all descriptions of labor, and in all gradations of labor, from the highest to the lowest inclusively) is on the whole extremely meliorated, if more and better food be any standard of melioration."

We can speak of self-interest, of love of country, of attachment to friends and relations, of the closer ties of family, and love between man and woman, of the charms of knowledge, of the influences of art, of the sympathies inspired by generous actions;—but we cannot say that these feelings are fostered, and encouraged, by our Laws.—We can speak too of a personal Being of infinite love, purity, and power, to whom we are responsible, and who, we are taught to believe, watches our course with a tender interest, for which no names are sufficiently expressive, but those which denote the dearest earthly relationships; but we cannot say that our Laws are consistent with those sentiments. We can

speak too of a life hereafter, and are taught to believe that the formation of character is of infinite importance compared with all other issues of conduct, because character is eternal, and what is done, and thought here, bears fruit of weal or wo, beyond the limits of time; but we cannot say that our Laws are made in accordance with these truths. We know that even these mighty moral forces are continually found insufficient to keep us up to our imperfect sense of duty, to make us ever regard that highest social law which says "Thou shalt love thy neighbor as thyself;" we know that no mightier forces are possible for maintaining that highest social law; and yet we make our Laws in open defiance of that just and holy principle. And what do we substitute for these mighty moral forces as a corrective to selfish passions, and short-sighted lust of present gratification? Deprivation, and neglect; cruelty, and injustice, in every form; and murderous revenge. We assume that the mighty moral forces will flourish with the same vigor, when man's faith in them is destroyed, and so we make our Laws in defiance of them, and totally disregard them. We speak of these as our strongest purifying influences — strongest to refine, strongest to free from selfishness; we admit these moral forces to be the mightiest to keep men steady; we admit the necessity of a constantly counteracting power to the notorious selfishness and sensuality against which we have to be ever on our guard; and yet we so frame our Laws as to encourage selfishness, and sensuality, and to instigate the worst instincts of our nature. We profess to elevate human life to heights of felicity and knowledge; and yet, we leave it in ignorance and misery, and bring it down to the depths of wretchedness, and despair. Undoubtedly, the lovelier, and the richer, life grows under this system—the higher in power and dignity, the firmer in purpose, the fuller of grand results

—the fiercer will rise the human passions, and the weaker will become the moral forces ; and then, in the time of the greatest power and dignity, raised on the guilt, and wretchedness, of the People, will come the overthrow. Then will disappear the riches, and the loveliness of life, and then will the men and women of the favored race shrink back appalled with horror.

Therefore, let the Government of this country take warning, and not neglect the present opportunity, lest the warning, unheeded now, be remembered only when the opportunity is lost.

You may say ;—Other questions lead to some result ; but this is vague and interminable. Others we can refer to practical tests ; but this belongs to a region of metaphysical abstractions, of ideal perfection. And yet, all the pettiest passions which other controversies call forth are at work here. All the devices and stratagems of party warfare are in requisition in the nineteenth century, as in the ninth. Christians here show how little love they really have for one another.

There can be no doubt that these thoughts have arisen in many hearts. It would be sad, indeed, if no others had been suggested to any of us. There must be a compensation for every evil in God's Universe. All things must work together for good to them that love Him.

Oftentimes it must have happened to us all to meet with two subjects, in each of which it is very important for us to see our way, beset with nearly equal hindrances. After making various ineffectual attempts to remove them, we are inclined to adopt the conclusion that, each is a hopeless labyrinth, that it is a mere waste of time to look for an exit out of either. Then we discover that there is a passage between them, and that the one is a clue to the other. And so it is with respect to these two great topics of human life :—How to deal

fairly with the rich, and how to deal fairly with the poor.

This is the great problem, but it was solved for us by the Great Teacher, when He said :—"Thou shalt love thy neighbor as thyself."

We hear in our Churches, and we talk out of our Churches, of a coming of Christ to reign over the earth, or to judge the earth, at some distant day ; but how can this be held forth to generations of men as an event for which they are to be ready, which may come suddenly upon each man, when we know that no preparations are making, that nothing is being done to get ready ?

No doubt this may be explained to the satisfaction of divines, and commentators, legislators, and others, who have their own technical way of interpreting the phraseology of the Bible. But, surely, that which is addressed to the consciences of ordinary men, must commend itself to those consciences. That which calls on them to cast away the works of darkness, cannot be itself a dark oracle. That which comes as a message from the true God, cannot require any tricks, or subterfuges to explain it. If this language be not strict, what language can be ? What is it sent for, but to lay bare the falsehoods, and treacheries of our hearts ? Is it not urging us to put on an armor of light, in which we may appear before the Judge, and Searcher of hearts ?

To parry these questions is impossible. There is a bond between the visible, and invisible world, and, sooner or later, we must all acknowledge it.

For the truth of this remark, it is only necessary to refer to history for the origin, and progress, of nearly all human laws, and institutions ; and for this purpose our laws and institutions, relating to the poor, may serve as well as any other example.

Vagrancy, and begging, were formerly made punish-

able by whipping, the stocks, the pillory, imprisonment, and death. The execution of "sturdy beggars," as they were termed, increased year by year, until, in the last year of Henry the Eighth's reign, [if history is to be relied on for a fact so incredible] no fewer than 38,000 persons were put to death for this species of offence!

The same repressive system followed under the subsequent sovereigns, until the power of Queen Elizabeth having been firmly established towards the latter end of her reign, the foundation of a new and more humane system was laid. This was done by an Act passed in the 43rd year of that Queen. The operation of that Statute was found beneficial; and the lawlessness, and violence, which had not been suppressed by barbarous enactments, disappeared by degrees. Gradually an entirely new code of legislation arose, as experience developed the benefits, and disadvantages of the system; and its ramifications embraced as well the support of the indigent, as the adjustment of the liabilities of the contributors.

The present system is a great improvement, but still far from perfect, nor can it ever be made perfect, until the great political evil and chief cause of pauperism is removed.

Here, what a vast amount of human misery, past and present, may be traced to the sole cause,—human error! —the error of neglecting that "bond between the visible and invisible world which, sooner or later, we must all acknowledge!"

Previously to the dissolution of the monasteries by Henry VIII. the maintenance, and relief, of the poor were secured by the religious houses: their endowments being required, in most cases, by the charters of foundation, and in all by the Stat. of Carlisle, (Ed. I. A.D. 1306), to be expended to the honor of God, and in support of His poor. When those institutions were sup-

pressed, and their property distributed among the courtiers of that wicked monarch, Henry the Eighth, the helpless, and indigent, the aged, and the young, were at once deprived of all provision. All that the authorities of that time devised were severe and stringent measures directed against the numerous mendicants by whom the country then began to be infested. Thus, from the great error of that time came the incalculable amount of human misery and suffering which followed and so long continued ; until, at last, from the necessity of removing the great pressure of the evil, the wrong was righted or alleviated by better laws, and regulations.

But, though the relief of pauperism is now an acknowledged duty of our Government, it must be admitted that, the prevention is much more so.

Towards this end much further progress will never be made, until the laborers be left in the full and free possession of the wages of their labor, without any deduction therefrom by direct or indirect taxation on their labor or on the necessities and comforts of life which that labor ought to procure for them.

By this means, to a great extent, pauperism and its innumerable attendant evils may be prevented ; but, by any other means this end will never be attained. As long as it is intended that the greatest part of mankind should live by their own labor, it will be essential for the peace and comfort and happiness of all that this principle should be fully acknowledged, and carried out. All other attempts must end in disappointment, if not in aggravation of the evils.

All attempts to keep off the evils by Education, or Moral Training, through Schools, or Reformatories, are only vain delusions, and idle mockeries.

Notwithstanding all these, the Work-houses of the Parish Unions, and the public Prisons, will be continually enlarging and extending, and will always be filled.

They will always help to fill each other, for the cause which fills them both will always be in operation, and always enlarging, and extending, and that cause is—pauperism.

And it is thus that those who are answerable for the wrong which they have not righted, will be made to suffer with their victims.

And this they are beginning to see.

There is now, in the higher classes, a sort of mania about the education of the poor.

But what is the benefit of education where the first principles inculcated by nature are neglected?

It is here that “Social Science” so much paraded in our day, should commence. To make Christians and Moralists we must first give them the means of decent subsistence. Without this all philosophy is but an impracticable theory, a vain delusion.

It is in vain that we boast of our wealth, unless we place some barrier to the extent of our pauperism.

It is in vain that we parade our moral theories of education and improvement of the people, unless we acknowledge, by our acts, the first principles of truth and justice.

It is in vain to attempt to lift the lower classes out of their degradation, unless their wrongs be righted.

The poorer classes, notwithstanding they are the most degraded, pay the highest amount of rent for their wretched accommodation, and also the highest prices for all their miserable means of subsistence.

It is this notorious and disgraceful fact which is so disreputable to the wealthy classes, and which stamps the national stigma upon the British name, of injustice and cruel wrong to all the working classes of the British People; and it does seem as if modern Socialism has spread because of the silence of all but Socialists concerning the remedy.

It was mainly this notorious, and disgraceful, fact which, 200 years ago, drove the Representatives of the People to carry their "Grand Remonstrance" to the foot of the Throne; and, ultimately, involved this country in the horrors of a civil war, and brought the head of our traitor King to the block. No one was more eager against that Remonstrance, or fought every stage of it with more impassioned resistance, than Sir John Culpeper; yet it was he who, at the meeting of the Long Parliament had spoken that memorable speech against monopolies, and projectors, which now, 200 years later, is no less applicable to the universality of British Taxation.

Here are the words, copied from the record of those days:—

"It is a nest of wasps, or swarm of vermin, which have overrun the land—I mean the monopolers, and polers of the people. Like the frogs of Egypt, they have gotten the possession of our dwellings, and we have scarce a room free from them. They sup in our cup, they dip in our dish, they sit by our fire. We find them in the dye-fat, the wash-bowl, and the powdering tub. They share with the butler in his box. They have marked, and sealed us, from head to foot. Mr. Speaker, they will not bate us a pin. We may not buy our own clothes without their brokage."

To illustrate the operation of some of these monopolies, a striking passage may also be taken from a speech of the Patriot Pym, in which he undertook to show that the gain of the King was wonderfully disproportioned to the loss of the subject. And here it is:—

"In France, not long since, upon a survey of the King's revenue, it was found that two parts in three never came to the King's purse, but were diverted to the profit of the officers, and ministers, of the Crown; and it was thought a very good service, and reformation, to reduce

two parts to the King, leaving still a third part to the instruments that were employed about getting it in. It may well be doubted if the King have the like, or worse success in England. For instance, he hath reserved upon the monopoly of wines thirty thousand pounds' rent a year; the vintner pays 40s. a tun, which comes to ninety thousand pounds; the price upon the subject by retail, is increased two pence a quart, which comes to eight pounds a tun, and for forty-five thousand tuns brought in yearly, amounts to three hundred and sixty thousands pounds; which is three hundred and thirty thousand pounds loss to the kingdom, above the king's rent!"

This was the commentary of the Patriot Pym on indirect taxation 200 years ago: what a commentary it is on our system of the present day!

SAVINGS BANKS, BENEFIT CLUBS, FRIENDLY, AND LOAN, SOCIETIES.

As some remarks, in the foregoing pages, may be thought, by many, to be too disparaging of Savings Banks,—Benefit Clubs, and Friendly Societies, these few further remarks, on the same subject, are made to correct any such impression.

In a Blue Book Report, by Mr. Tidd Pratt, on Friendly Societies, published about ten years ago, are to be found some very significant facts.

It appears that the total number of these Societies enrolled and certified since the passing of the first Friendly Society Act, in 1793, to the 31st December 1858,—is 28,550, of which 6,850 have ceased to exist;—that, in the year 1858, Notices of Dissolution have been received from 58 Societies, and from many more since that date. The causes of this extensive decay are deserving of notice, and are thus described in the Report:—

“The *causes* of Dissolution arise generally from the claims made on the funds by pensioners—the insufficiency of contributions to meet the payments, particularly those relating to superannuation, there being no principle of regulating the contributions according to the ages of the members, the same amount being paid in most instances for each member irrespective of age—the granting sick pay during life—that *no account of the fund kept for each benefit is distinctly kept*,—that *the funds are not invested* pursuant to the provisions of the Friendly Society Act, but are deposited at interest in the hands of Bankers, Brewers, Publicans, Loan Societies, Benefit Building Societies, and upon securities by which *considerable loss* is very often sustained if the money is attempted to be called in, not to mention, in many instances, the *insolvency of the party to whom the money has been lent*—and that no regular audit or examination of the assets and liabilities of the society is made.”

Taking the number of the Societies, then existing, to be 20,000, and, probably, now double that number, it may be assumed that, with these causes of decay, they will rapidly diminish in number.

All of these Societies, without a single exception, rest upon a false foundation, and most of them are fraudulently conducted.

This statement is not made without regret; nor would it have been made at all, but with a view to point out something much better, for the benefit of the classes by whom these mis-called “Friendly Societies” are supported.

But, to proceed with some of the remarkable facts which this Report brings to light, some of which have been hereinbefore adverted to.

It appears, from a statement in this Report, that the number of persons entitled to Dividends on the Public

Debt, payable at the Bank of England, in the year ending July, 1859, was 269,328; and that there were 1,383,358 depositors in Savings Banks, on the 20th November, 1858; so that the latter class was more than five times as great as the former.

In the Savings Banks, 658,506 depositors invested sums under £10; and 200,525 averaged only £66 each; and the number whose investments exceeded £200, was 1,499.

The number of persons entitled to dividends on the Public Debt at the Bank of England, in July, 1859, as classified in this Report, was 269,330; as before given.

If the mean average of such amounts of Dividends be taken for each class, and the average rate of interest at 3 per cent. per annum, the Capital represented by each class will be as under:—

Persons.	Average Dividend of each. £	Total Capital represented. £	Average capital for each person. £
94,301	10	28,573,202	333
44,917	15	22,458,500	500
86,943	60	173,816,000	2,000
22,663	150	113,315,000	5,000
12,712	300	127,120,000	10,000
3,663	500	61,047,558	16,666
2,378	800	63,411,748	26,666
1,774	1,500	58,700,000	50,000
376	3,000	37,600,000	100,000
<hr/> 269,127 <hr/>		<hr/> £686,112,009 <hr/>	<hr/> £2,549 <hr/>

Now, as the whole of the Funded Debt of Great Britain in 1858-9 (exclusive of £43,114,876 for Ireland,) is given at £43,686,278, and £686,112,009 was represented by 269,127 persons, the sum of £57,574,269 was represented by 201 persons; being an average of about £286,439 each, while the average capital represented by 269,127 persons was about £2,549 each.

Thus, it appears that the total amount of the Debt of

Great Britain was then held by less than *one hundredth* part of the entire population of the United Kingdom, taking it at that time, at 28,000,000. It may now be taken at 32,000,000.

These calculations can be accepted only as an approximation to the actual proportions of each class; but, nevertheless, they show that, the Capital of the Public Debt of this Country, enormous as it is, yet is represented by a comparatively insignificant proportion of the whole population.

Now, to apply these figures, and calculations to the present object, which is, to show the friendless condition of those who are driven for protection to these “Friendly Societies.”

Take the number of persons entitled to Dividends on the Public Debt at the Bank of England, in July, 1859, not exceeding £10 per annum,—94,301 persons; the number of depositors in the Savings Banks, under £10,—558,506. These are taken as being the lowest denomination given.

By the annual returns made to the Commissioners for the Reduction of the National Debt, by the Trustees of Savings Banks, it appears that the sums deposited, including interest, up to 20th November, 1858,

Amounted to	£33,921,881
Charitable Institutions	729,457
Friendly Societies	1,562,784
	<hr/>
	£36,214,122

Besides these, there were 571 Friendly Societies whose funds were deposited direct with the Commissioners, amounting to £1,980,682, making the total deposits, £38,194,804.

The number of depositors in these Savings Banks, in sums not exceeding £1, was 200,485; and not exceeding £5, was 276,345 persons.

It appears from the official returns of that time that £79,311,563 had been received from the Trustees of Savings Banks and Friendly Societies, since they were first established;—that £49,939,473 had been repaid to the Trustees, in the shape of principal and interest, during that period; and that £38,372,090 remained due from the Government, on account of those Institutions, to the Trustees, besides an uninvested balance of £629,463. 3s. 6d. belonging to Savings Banks, and £24,121. 15s. 10d. belonging to Friendly Societies, making an uninvested balance of £653,584. 19s. 4d.

The amount thus due to the Trustees of Savings Banks, and Friendly Societies, is invested, from time to time, by the Commissioners for the Reduction of the National Debt, in various Government Securities, the value of which is estimated at the market price, on the 20th November in each year.

The funds belonging to these Institutions form the means for *speculation*, as well as *investment*, to the Government of the day,—a practice which it is not the present purpose to comment on.

In comparing the market value of the Securities held by the Commissioners for the Reduction of the National Debt, with their liabilities to the Trustees of Savings Banks, it appears that, they were *deficient* by the sum of £3,099,714. 0s. 5d., on the 20th November, 1858, while, on the same date, in 1857, they were *deficient* £5,186,113. 2s. 8d. These deficiencies may be accounted for by the practice of valuing the securities on a given date, which may be higher or lower according to circumstances.

It also appears that the interest and dividends due to the Commissioners on Securities held by them on the 20th November, 1858, were less by £2,845,967. 14s. 8d., than the aggregate interest paid to Trustees of Savings Banks, and £440,557. 13s. 4d. less than the interest paid

to Friendly Societies, making the total interest due to the Commissioners, £3,286,525. 8s. 0d. less than the amount paid to these Institutions; but there was due on £7,600,000 Exchequer Bills, funded in 1859, interest amounting to £76,112. 9s. 2d.

The speculative part of this department of Government, and the practice of funding Exchequer Bills bought by the deposits of the Savings Banks, appear to be proper subjects for the consideration of the House of Commons; and if the House should be able to satisfy itself and the country, that funding these Bills does not increase the National Debt,—then, there is nothing further to be said against this practice.

Whilst on the subject of these "Friendly" and "Benefit" Societies, it may be well shortly to notice another sort, also sanctioned by the Legislature, for the *benefit* of the people, called "Loan Societies."

The benefits conferred by some of these Societies are so peculiar, and have been so vividly presented by Mr. Kerr, the Judge of the Sheriffs' Court, that the following, from the *Observer* of 12th June, 1859, may be worth transcribing.

"LOAN SOCIETIES AND THEIR PER-CENTAGES."

"Yesterday, at the City Sheriffs' Court, the newly elected Judge, Mr. Kerr, was engaged nearly the whole sitting in adjudicating on actions on promissory notes held by the Loan Societies. In each case the Judge created much sensation amongst the suitors by a calculation of the per-centage which these Loan Societies charged, irrespective of their inquiry fees, fines, etc. In the first case, on a balance of a promissory note payable in fourteen days, the Judge said the interest charged was 400 per cent. In another case he calculated it to be 500 per cent. In a third, he said the

interest charged was 3,650 per cent.; and in a fourth, to the astonishment of all the Court, the Plaintiff included, that 7,300 per cent. was the very moderate rate of interest charged. In some of the cases he dismissed the summonses, and in others, although making orders for payment, he would allow no costs, remarking that it was high time for the Legislature, or some authority, to step in, and put a stop to these shameful exactions from the poorer classes. In all such cases he should refuse to commit, as he considered the enormous interest charged as a kind of insurance against loss.

Assuming Judge Kerr's calculations to be correctly made, and taking the promissory notes for £10, the percentages would stand thus:—

Sum Borrowed.		Per-centage Paid.		Sum Payable.
£		£		£
10		400		40
10		500		50
10		3,650		365
10		7,300		730

Well might the Court be “astonished” at these exorbitant exactions, and well might the Judge say, “it was high time for the Legislature, or some authority, to step in, and put a stop to these shameful exactions from the poorer classes.”

The Legislature gave to these Societies a kind of Imperial sanction, under the 3 & 4 Vict. cap. 110, and Mr. Tidd Pratt was appointed to “certify” to their rules.

But what of this? with this result!

The latest published returns do not furnish the aggregate number of these Loan Societies, but they exist in *twenty-five* counties in England and Wales, and many of them are distinguished by very philanthropic titles, such as the “Poor Man's Refuge”—“Brotherly Love”—“Poor Man's Friendly”—“Good Intent Friendly”

—with a variety of other titles equally fascinating, attractive, and delusive.

There are no means of knowing how many of these Societies are held at Public-houses, but out of 35 registered in Middlesex, 22 are held at Public-houses.

The Parliamentary returns are to 31st December, 1857, under seventeen different heads, which give a good deal of curious information. For instance, the number of applications in 1857, was 154,606; but loans were granted to only 121,810, so that the refusals were 32,796.

Many of these Societies, according to their papers, profess to lend various sums of money "*free from all deductions*;" yet the sum of two-pence is charged for each paper containing instructions, in which, as a matter of course, "all communications are strictly confidential." In the official return, the amount paid for forms of application and inquiry is given at £8,301; so that the sale of these papers is no insignificant feature in the trading of these Societies.

The amount paid as interest by the borrowers, or their sureties, in 1857, was £29,047. 14s. 7d. upon £144,359. 19s., or, about 20 per cent. on the shareholders' capital. But the gross profits are given at £36,415. 11s. 8d., or, at the rate of 25 per cent. per annum. The actual interest, however, paid to the depositors, in 1857, was £19,516, or, about 14 per cent.

The item for management appears to be a very formidable one, for it amounts to about half the interest paid to depositors, or, £15,095.

And, now, for the results of these Societies upon the borrowers.

These are sufficiently shown in the 13,467 Summonses, and 725 Distress Warrants, issued in 1857.

If this be the best protection which the Legislature

can extend to this class of the People, the sooner they are left alone the better for them.

PRACTICAL REMARKS.

In all these Trades Unions, Friendly Societies, and other Associations for the benefit of the Working-Classes, there is something more significant than even the dark facts here disclosed;—something which tells strongly against the existing state of things—which tells of the fears of all these classes for their *future*;—which tells that, with all their industry, and care, and prudence, their savings will be quite insufficient for themselves and families in the days of sickness, slack-work, no-work, or other misfortune, and that possible misfortune of living to old age and helplessness, with the choice of a prison, or a workhouse, for their refuge!

Who can say that these fears for the future are groundless? Who can say that there is, for the respectable married couple, who have brought up a respectable family of four or five children, any better prospect than this before them for their old age?

But they came into the world poor.

Why complain that they leave it poor?

They do not complain that they are poor, but that they are unfairly treated.

They were born to work for their bread, and they have done so. They have done more. They have enriched their country by their labor, and they have been inadequately and unfairly remunerated. Their country has taken away from them, in taxes, above one-third of the wages of their labor, without any remuneration.

This is what they complain of.

It is true, their country provides for them when they are *worked-out*,—provides for them prison-fare,—but

they complain that this provision is on terms which makes long life (so great a prize to others,) not to be desired by them.

What can they do—with all their *bettors* against them—but form themselves into close brotherhoods for their mutual benefit?

The Legislature sanctions these imperfect attempts for their self-protection, but lends them no effectual help.

Here is a specimen of Legislative Protection to the Poor!

Legalised Associations of Wolves, for the Protection of Sheep!

The Legislature gives itself a great deal of unnecessary trouble, all of which might be saved by less intermeddling, with more honesty and common sense.

If the People were left more alone, and were allowed to have their own, there would be a better chance of their learning how to hold their own, and how to manage their own more to the advantage of themselves and others.

If the Legislature would leave the Laborers in full possession of their wages, they would want no help from others, but would be well able to help themselves. They want no more than their fair share in the common lot. The common interest would be their interest.

On what ground of policy, or common sense, (to say nothing of honesty), does the Legislature diminish the Laborers' wages by taxation?

It was well said by Mr. Erskine Clarke, in his paper read at the Social Science Meeting at Bradford in 1857; that 'the great problem of social economy is, how to help the working people *to keep themselves with their own money*, in other words, to teach them provident habits.'

With all deference to Mr. Erskine Clarke, the *first*

great problem is, how to help the working people *to keep their own money for themselves*. There is every reason to hope that they will then be able *to keep themselves with their own money*, seeing how many of them manage now to keep themselves and their families, and even to bring them up respectably, on 10s. or 12s. a week. Let those who would be teachers of provident habits first try to do this for themselves.

Where the Legislature might have helped the People, what has it ever done for them?

The condition of the lower classes in this country has, by long neglect of mental improvement, by the natural pressure of population on the means of subsistence, by the consequent decrease in the rate of wages, and by the heavy taxes on all the necessities and comforts of life, sunk so low that, to large masses of the people in cities, towns, and country, the term 'social condition,' can hardly be applied with more propriety than to brute animals. But the education of the poor is still talked of;—the improvement of their condition is talked of—but nothing is done. And what should be done for a people already degraded and destitute? What can be expected from teaching, or preaching to people destitute of necessary food and clothing,—who are congregated in masses of human misery and vice, breathing an atmosphere of the foulest impurity, or dotted about like isolated human beings, separated by their very misery and destitution from their more fortunate fellow-creatures, who avoid them as outcasts, or like heaven-stricken lepers of old, whose near approach was contamination?

It is not by ragged schools, or penny tracts, that the poor are to be lifted up into anything like a social position! These are good aids to a good system; but a good working system can never be established whilst two-thirds of the revenue are raised by taxes on the

necessaries and comforts of life, which must always press with the greatest severity upon the poor and working classes. Religious tracts and moral tales, however plentifully distributed among the poor, will avail little or nothing for their improvement morally or intellectually, as long as there is no fire to make the pot boil, and nothing to put into the pot when it does boil.

As Sydney Smith said, many years ago, in his own incomparable style of banter:—"The moral story for the poor generally is, that a laborer with six children has nothing to live upon but mouldy bread and dirty water; yet nothing can exceed his cheerfulness and content—no murmurs, no discontent;—of mutton he has scarcely heard—of bacon he never dreams:—farinaeous bread, and the water of the pool, constitute his food, establish his felicity, and excite his warmest gratitude:—the Squire, or Parson of the parish, always happens to be walking by, and overhears him praying for the King, and the members of the County, and for all in authority; and it generally ends with their offering him a shilling, which this excellent man declares he does not want, and will not accept. These are the tracts which Goodies and Noodles are dispersing with unwearied diligence. It would be a great blessing if some genius would arise who had a talent of writing for the poor."

The whole of Nature is the revelation of an Infinite Rational Will, and if man were guided by it, as an eternal guiding star, his chief task would be to make laws for human government in perfect harmony therewith. The rights of the poor would then be seen to be precisely the same as those of the rich, and would be so regarded accordingly, for it would then be clearly seen that neglect or injury of the one, would be equally neglect or injury of the other.

It would then be seen that, all were born into this world with the same inherent natural rights, and that it is equally for the well-being of all that these rights should be respected, until forfeited by being exercised in a manner inconsistent with social order, that is, contrary to the revelation of an Infinite Rational Will.

It would then be seen that the best way of protecting the rights of property, which are artificial, or conventional, would be by extending the same protection to the inherent or natural rights of every human being.

It would then be seen with more Christian feeling that, in humility is the truest evidence of strength, and in obedience the great source of command.

It is the same of Governments, as of Individuals. Governments would see that, their best security was in the well-being of the governed;—that if Property had its rights, so also it had its duties;—and that they would best preserve the one, by enforcing the due performance of the other. They would see that it is as essential for social order, and the well-being of the People, to protect the poor in the enjoyment of their inherent or natural rights, as it is to protect the rich in the enjoyment of their artificial or acquired rights of property. They would see that it is a violation of the first principle of justice and policy, to impose taxes on food and raiment, or any other product of industry; that justice and policy equally require that the necessities of the State should be provided for out of acquired property, and not out of the daily toil which is producing that property. They would see that, by reversing this just and moral rule, by taxing the daily laborer in his food and raiment, they are committing the grossest injustice—that they are introducing elements of discord and disruption, the tendency of which

must be, to disturb and break up social order, by letting in fraud and violence, in all their various forms of perjury and theft,—adulterations and poisonings,—smuggling and murder ;—all tending to demoralisation and disturbance, to the guilt and wretchedness of many, and the certain injury of all.

They would learn that the power of kings and rulers can no more be misused with impunity, than could these powers be resisted with impunity when lawfully and righteously exercised ; and they would learn this solemn truth,—that right must prevail in the end, though thrones be overthrown, and governments be broken up, and nations be destroyed, and people be scattered.

They would learn that the strength of a nation is in the People ; that the strength of the government is in the well-being of the whole People ; and that the strength of the People is in their subjection to the Divine Will ; in short that, “ *The welfare of the People is the highest law ;* ”—and that, to promote this is the best and greatest work that man can do,—the highest to which he can attain—and that, “ *Nothing is truly sublime but moral greatness.* ”

Everything which has a tendency to produce indifference to or contempt for this great maxim, tends to lower the general tone of the public mind, or to pervert the moral sense of society ; nor can limits be assigned to the social deterioration which may be the consequence of a continued disregard of those elements of our nature, by which alone it can claim any kindred with the Divine. If kings and governments had more fully recognised and acknowledged the Divine Spirit, how much greater and more powerful would have been their rule on earth !—how much happier, wiser, and better, would have been the whole human race ! If only Justice and Humanity had been more regarded,

by more attention to the comforts and welfare of the People, how much greater would have been the portion of happiness to all, even in this present life of toil and trial! If instead of such costly preparations for their improvement and benefit, in building gaols, reformatories, and work-houses, they had been left to enjoy the fruits of their own labor, and to participate a little more in the mental acquirements of those whose lot had been cast in more easy circumstances, how much misery and guilt might have been spared!—how many suffering and lost lives,—perhaps souls,—might have been saved!

To bring these principles to a practical test, take a survey of the human governments throughout the world, and then examine the actual results.

In what part of the world have these principles ever yet been carried out in practice?

Where are the results, and what are they?

Mankind are literally suffering and groaning under the laws and inventions substituted by human despotism.

In the place of Justice and Mercy, we see everywhere Injustice and Cruelty. In this country, perhaps, more than in any other, may be seen some approach to good principles, which all acknowledge, but none follow, because none have any reliance on them.

Human selfishness and injustice is the rule.

Human misery and vice are the result.

Wherever freedom and justice have been even partially tried, the result has always been, comparative prosperity and happiness; prosperity to the country, and happiness to the people.

Take the instance given by the Liverpool Financial Reformers, in one of their early Tracts, of that remote and barbarous village, which, less than 60 years ago, consisted of a few scattered huts on the water-side,

inhabited by half-fishermen and whole pirates, and is now the flourishing free Port of Singapore, enjoying a trade of upwards of ten millions sterling annually, and contributing largely to the Indian revenue.

Such was the description given many years ago of this Settlement, founded in 1819, by Sir Stamford Raffles.

Here is the latest description, given by Dr. Karl Scherzer, in his "Narrative of the Circumnavigation of the Globe, by the Austrian Frigate, *Novara*, in the years 1857, 1858, and 1859." Vol. II:—

"Singapore, from its singularly favorable geographical position and the liberality of its political institutions, has made such a stride as is entirely without parallel in the history of the world's trade. From a desolate haunt of piratical foes the island has been converted into a flourishing emporium.

"About 1,000 foreign vessels, and fully 3,000 Malay prahas and Chinese junks flit backwards and forwards annually with all sorts of merchandise and produce, while the value of the other goods annually exchanged here amounts to about £11,000,000. Such is the change that has come over the old unhealthy, ill-omened Malay pirate abode,—thanks to a clearly-defined policy. If a doubt should still obtrude itself as to these brilliant results of the utmost freedom and absence of restriction upon trade, it must give way before the spectacle presented to the view of the astonished beholder in the harbor of Singapore, the Alexandria of the nineteenth century."

Such a description as this, from an Austrian Government official, has some claim to credit, and comes with additional force.

As the Liverpool Reformers ask:—"What is the secret of this wonderful metamorphosis? Simply the fact, that at Singapore there are no import or export

duties,—no taxes upon shipping. Who can calculate the immense development of the national resources which would certainly be produced, if the same sound principles were extended to British industry, commerce, and manufactures? Nobody can make such a calculation beforehand; but everybody, who thinks, must see that the demonstration can be brought about only by means of Direct Taxation.”

Then, again, take the instances given in the ‘Edinburgh Review’ for April, 1859, in the Article—“The West Indies as they were and are;”—instances all the more forcible, being, as such, altogether unintentional.

“MONTSERRAT.”—After referring to “the improved and improving state of the community, as allowed on all hands,”—and giving various details, the Governor says, (in 1853,) “so much for the increase of confidence, enterprise, and industry, in Montserrat.”

“No island in these seas exhibits more decisive tendency to social and moral regeneration and improvement. The rural population are quiet, contented, and orderly. Their condition one of great comfort.

“A new system of taxation, (as we understand throwing it off imports upon real property,) came into operation in June, 1856, and with such striking and powerful effect, that the imports more than doubled in value in the course of the year!”

“NEVIS.”— “The case of this island is peculiarly interesting, because in it an experiment has been tried in taxation, which may, perhaps, some day become generally adopted throughout the world. Things in Nevis had got to such a desperate state—they were, in fact, past all bearing,—that at last, Mr. President Seymour, a gentleman of remarkable boldness and vigor, induced the legislators to consent to a radical change in the fiscal system. The import duties were totally abolished, and a tax of 20 per cent. placed on

rentals. Small as the field was in which this experiment was tried, its astonishing results are worth noticing by Statesmen.

"The new system came into play March, 1856. In that year the imports rose from £19,728 to £34,449. New shops were speedily opened,—house rent rose threefold. The sound of the hammer was heard, and the smell of fresh paint experienced, where all had been crumbling decay. The roads appear as if the greater part of the population had new clothed themselves, and in the harbour, so often deserted, I now count ten ships of considerable burden."

These are remarkable instances, and the more remarkable for the "undesigned coincidence" with the experiment recommended in "The People's Blue Book," first published in the year 1857.

If the British Isles be not less favorably situated than the West India Islands are, or than the Island of Singapore is, for industry, commerce, and manufactures, these experiments are worth repeating.

It is not easy,—perhaps, not possible,—to foresee all the results of such an experiment if fully and fairly carried out in this country.

But why should the result be less satisfactory in the British Isles, than in those remote Isles? If the principle be sound, why should it be less applicable to this great and highly civilised country, than to those small, remote, and less civilised countries in the far East and West.

That great changes would be a necessary consequence of the adoption of the principle in such a country as this, in the overthrow of ancient institutions, and the diversion of long-established habits into other channels, is quite certain; and that many unforeseen changes would ensue, is more than probable.

It may be admitted that it would be a great Political

and Social revolution in this country, which would be gradually extended over the whole civilised world.

But if the principle be sound in truth and justice, how can the results be other than beneficial to the whole human race?

And what is this principle,—but that the laborer shall not be taxed in his own labor? That the working classes, who are without property, shall be free from all taxes on property; and that property, whilst directly employed in the production of property, shall go untaxed. That property shall pay equally, and that persons shall pay equally, for the protection derived from the Laws of the Land.

The laborers of all classes would then be in the full and free possession of the wages of their labor, bodily and mental.

The Wages of labor and the profits of trade would be free from all taxation.

Why not?

Who would be injured by the common laborer and the skilled laborer (which includes the artist and the professional laborer), being set free from all taxes on his property?

Is he not serving the State far more untaxed, than taxed?

Is the property of the rich man taxed because he is rich? No.

The property of the poor man is taxed precisely at the same rate.

Is the rich man's life valued higher than the poor man's? No.

The rich man's life, and the poor man's life are valued at the same, and are taxed at the same.

The only difference would be that, the rich man, if he please, may bid higher for, and have a little more of one State privilege, than the poor man would have.

The Wealth of the Nation would have its full weight in the Council of the State.

And so it ought to do.

But what would then be the power of a united People?

The power of the greatest number, still representing the greatest wealth, would preponderate in the Council of the State.

And so it ought to do.

Assuming, as before, the Agricultural population to consist of 5,000,000 families, and the annual saving of each family to be only £2—this would give an aggregate annual saving, by the Agricultural population alone, of £10,000,000. And as before, taking the Population to consist of 7,500,000 families, and the annual saving of each family, on an aggregate of the whole, to be only £5, this would give an aggregate annual saving of £37,500,000.

How would this immense annual sum, in addition to the many millions sterling set free by the abolition of Customs and Excise Duties, be invested?

Certainly not in Trades Unions, Benefit Clubs, Loan and other such Friendly Societies, and, probably, but a very small portion of it would find its way into the Public Debt. It would most probably find better Investment in Land and Houses and in Trade Concerns. The foolish laws formerly affecting Partnerships, involving liability with participation in profits, have been since repealed, and the savings from the wages of the artisans and other skilled workmen, may now be entrusted by them to their masters, or others engaged in trade, on a certain share in the profits; and the workmen themselves may set up their own Establishments, and conduct them in their own way, for their own benefit.

These accumulated Savings would form an immense addition to the active capital of the Country, and it is

impossible to imagine anything better calculated than this would be, for binding and holding together master and servant in one common interest, for their mutual benefit, and the Nation's good.

The workmen would have an immediate and direct interest in their master's prosperity, their own being intimately connected with it, and this would be the best worldly security for their industrious and provident habits.

The masters would be held in wholesome check by the liability of being called upon, at any time, to refund the capital of their workmen; for which the law should give a sure and speedy remedy.

With this mutuality of interest between employers and employed, and all the pre-existent and ever continuous claims of labor in full operation, and in fuller force than ever, it is difficult to imagine the recurrence of those weak and foolish collisions between masters and workmen, called "STRIKES." The bond of mutual interest which ought to hold them together would be strengthened, and the increased stake of the working classes in the country would, at least, be calculated to give them an increased interest in its security and welfare.

On no other ground than this can it be pretended that, the Government and the Legislature are justified in the course which has been pursued for so many years with regard to Savings Banks. Not that Savings Banks have not been productive of benefit to the People, but that these are founded on a false principle, and grafted on a false system.

The case of the Savings Banks has been selected for special notice, because it may be likened to one of the least unhealthy of all the branches from the old and cankered tree.

In nature, under these circumstances, we often see

vigorous efforts; but these are only the signs of rapid decay, and that the canker is at the heart. To temporise under these circumstances is a fatal mistake. It is the part of prudent foresight to plant the new tree, whilst yet the old one lives.

THE NATIONAL DEBT.

A treatise on taxation may very properly terminate with a few remarks on our National Debt, as it is now called, in courtesy to Royalty, being formerly called,—‘The King’s Debt.’

There is a great deal of misunderstanding about our National Debt.

The capital of the National Debt, although nominally large, has no real existence. It is, in fact, except as a *measure* of annuities, a mere fiction; and, if it were more correctly viewed, it would cease to create the uneasiness which is so frequently expressed about its amount.

It is a great mistake to suppose that the National Debt is a great burden on the resources of this country.

It is another common error to attribute the deprivation and suffering in this country to the great weight of taxation under which it labors. That the Public Debt and Taxation are great evils cannot be denied; and that these are the consequences of the extravagance and mismanagement of former Governments must be admitted.

But though it be impossible to doubt that, a high rate of taxation has operated as a clog on the progress of this country, yet it is demonstrable that, taxes, the product of which is circulated in the country from which they are raised, can never seriously injure a country directly from the mere amount, but either from the time or circumstances under which they are raised, or

from the injudicious manner in which they are levied, or from the improper objects to which they are applied.

If the sum received in dividends on the National Debt were paid in taxes, and if these two sums precisely coincided in amount, and if there were no expenses of collection, and *if the taxes did not interfere with the production of wealth*, the National Debt would not diminish the National Wealth, though it could not augment it.

It would be a mere matter of distribution.

But the expense of collecting the national revenue, and the interference of taxation with production, are so much pure loss, and by the removal of these two sources of expense and loss, we should be richer if we were relieved of the National Debt.

To relieve ourselves of the National Debt may not be conveniently within our power, but to relieve ourselves of the worst consequences of it is easily within our power.

But, still the fact remains that, the National Debt,—now, in round numbers, about 800 millions, is a mortgage laid upon Taxes; and this is a great evil, as also a great breach of the much boasted, but much violated, English Constitution; for it is the great privilege of each House of Commons in turn to exact taxes at pleasure, and no existing House has any right to engage that taxes shall be voted by its successor.

Our National Debt is, therefore, a National Evil, and has been fixed on us and posterity by unconstitutional means; but this evil, great as it is, is often exaggerated in its evil effects, and made to appear to be a greater evil than it really is.

The following illustration by the Poet and Philosopher, Coleridge, has some truth in it, though it is more poetically beautiful, than philosophically correct:—"The sun may draw up the moisture from the river, the morass,

and the ocean, to be given back in genial showers to the garden, the pasture, and the corn-field; but it may, likewise, force upwards the moisture from the fields of industry, to drop it on the stagnant pool, the saturated swamp, or the unprofitable sand-waste." And, he adds,—the corruptions of a system can be duly appreciated by those only who have contemplated the system in that ideal state of perfection exhibited by the reason,—the nearest possible approximation to which, under existing circumstances, it is the business of prudential understandings to realise.

In "the merrie days" (whenever those were) there was no National Debt to be provided for. No Customs and Excise duties were filched out of the people's food and clothing. No war taxes were wrung from the people's wages. There was plenty of tyranny then, but there was not the tyranny of taxation. There were wars then, but the King of England, who waged the war, paid for it out of his own pocket, with the aid of voluntary contributions from such of his subjects as possessed the means as well as the will.

The present practice of making the people pay for the wars appears to have come in with King William the Third, and then England began to be more frequently engaged in wars, and in wars of longer continuance than before. To that change in the practice, the British Nation owes its present Debt. But few, perhaps, have any definite notion of the extent to which this country stands indebted to her wars.

The following Tables, No. 1 and No. 2, have been prepared from the most authentic documents for the purpose of showing this:—

TABLE NO. 1. SHOWING THE INCREASE OF THE NATIONAL DEBT FROM WARS.

Years.	War and Peace.	National Debt.	Interest.
		£	£
1691	War with France	3,130,000	232,000
1697	Peace of Ryswick	14,522,925	1,322,519
1702	War of the Spanish Succession .	12,522,480	1,215,324
1713	Peace of Utrecht	34,699,847	3,004,287
1718	War with Spain	40,379,684	2,965,889
1721	Peace	54,405,108	2,855,380
1739	War of Right of Search with Spain	46,613,883	2,030,884
1742	War of the Austrian Succession .	51,847,323	2,157,136
1748	Peace of Aix-la-Chapelle . .	75,812,132	3,165,763
1756	War.—The Seven Years' War .	74,575,025	2,753,566
1763	Peace	132,716,049	5,032,733
1775	War with America	126,842,811	4,763,519
1783	Peace	231,843,631	9,065,585
1793	War with France.—First Revolutionary War	247,874,434	9,711,238
1802	Peace of Amiens	537,653,008	20,268,551
1803	War with France.—Second Revolutionary War	547,732,796	20,812,962
1815	Peace	861,039,049	32,645,618
1854	War with Russia	775,215,519	27,363,889
1856	Peace	808,108,722	28,550,039
1859	Peace	805,078,554	28,204,299

The column of Debt shows the increase at the end of each war, but as this does not include the extra expenditure, preparatory and subsequently to the war, it is obvious that this does not show the actual direct expenses of each war. If the whole of the *direct* expenditure consequent upon these wars could be ascertained, including the annual interest paid in respect of the debt so created, the aggregate would extend to many thousand millions sterling. But if, in addition to this, the *indirect* cost and loss to the nation could be ascertained, (which is impossible,) the aggregate would be extended to an amount quite inconceivable. It is, therefore, unnecessary to carry the calculation further, and this

may be sufficient to show how unprofitable to a nation is war, unless for defence.

In looking back to the history of past wars in this list, it is impossible to say, even on the ground of national policy, that the English Nation has gained any advantage which might not have been acquired without any interference with the policy of other nations.

If this view be correct, it follows that the many thousand millions, sterling, expended by the British Nation in these wars, and all the human misery consequent thereon, might have been saved.

TABLE NO. 2. SHOWING THE COST OF WAR.

Years.	Wars.	Cost.
		£
1691	War with France—6 years to the Peace of Ryswick in 1697	11,392,925
1702	War of the Spanish Succession—11 years to the Peace of Utrecht in 1713	22,147,367
1718	War with Spain—3 years to 1721	14,025,424
1739	War of Right of Search with Spain—3 years to 1742	5,233,440
1742	War of the Austrian Succession—6 years to the Peace of Aix-la-Chapelle in 1748	23,964,809
1756	War.—The Seven Years' War, to the Peace in 1763	58,141,024
1775	War with America—8 years to the Peace in 1783	105,001,820
1793	War with France—9 years to the Peace of Amiens in 1802	289,778,574
1803	War with France—Second Revolutionary War—12 years to the Peace in 1815	313,306,253
1854	War with Russia—2 years to the Peace in 1856	32,893,203
	Do.—further Cost of ditto	29,863,035
Cost of Wars from 1691 to 1856—165 years .		£905,747,874

SUMMARY.

War	67 years.
Peace	98 „
	<hr/> 165 years.

As these figures do not include the expenses preparatory to, and consequential upon, these wars, it is obvious that the cost must very much exceed the total amount in the column above.

But taking the whole cost to be, as here stated, £905,747,874, this gives, for the last 165 years, a yearly expenditure in War, of £5,489,381, exclusive of interest.

These, as far as can be ascertained, are the actual *direct* expenses of past wars for the last 165 years, and, probably, are not half the direct expenses actually incurred.

If to these could be added the *indirect* costs and losses of Wars to the British Nation, for the same time, there can be little doubt that the amount would exceed the present estimated value of all the Real and Personal Property of the Kingdom !

It will be seen that, by far the greater part of this expenditure has been incurred within the last 80 years, that is, from the commencement of the American War, in 1775 ; and, therefore, that the chief responsibility in all this criminal folly has fallen upon the last and present generation, and remains to be borne or got rid of by generations yet to come.

Such is the succinct historical account of our present National Debt ; all created in 165 years, of which 67 were years of war,—leaving 98 years for peaceful meditation on its miseries.

In round numbers, ONE THOUSAND MILLIONS, sterling, gone in WAR, in 67 years ! And for this devil-play of the past, TWENTY-EIGHT MILLIONS, sterling, to be paid every year for ever !

The following Table will show the fluctuations in the debt during the several reigns since its commencement :—

Years.	Amount of Debt. £
1688.—National Debt at the Revolution	664,263
Increase during the reign of William 3d.....	12,102,962
1702.—At Accession of Anne	12,767,225
Increase during her reign	22,408,235
1714.—At Accession of George 1st.	36,175,460
Increase during his reign.....	16,348,463
1727.—At Accession of George 2nd	52,523,923
Increase during his reign	49,490,095
1760.—At Accession of George 3d.....	102,014,018
Increase during his reign	732,886,942
1820.—At Accession of George 4th	834,900,960
Decrease during his reign	50,096,963
1830.—At Accession of William 4th	784,803,997
Increase during his reign	2,725,117
1837.—At Accession of Victoria.....	787,529,114
Increase during 22 years.....	17,549,440
1859.—Last date in Lord Goderich's Returns, No. 443, Session 1859.....	£805,078,554

But there is a far more startling fact than even the debt itself, and it is difficult to comprehend such an overwhelming sum as upwards of two thousand millions, sterling, paid in *hard cash for interest only*.

To make this more comprehensible, the totals of the several decades are given from the commencement, in the following remarkable Table:—

Years.	£
1691 to 1700—Ten Years.....	9,228,211
1701 to 1710 ,,	14,779,968
1711 to 1720 ,,	29,437,104
1721 to 1730 ,,	25,762,251
1731 to 1740 ,,	21,114,749
1741 to 1750 ,,	25,853,046
1751 to 1760 ,,	28,664,024
1761 to 1770 ,,	47,092,783
1771 to 1780 ,,	52,093,419
1781 to 1790 ,,	92,135,484
1791 to 1800 ,,	135,123,780
1801 to 1810 ,,	224,138,726
1811 to 1820 ,,	303,639,929
1821 to 1830 ,,	294,437,684
1831 to 1840 ,,	290,254,607
1841 to 1850 ,,	285,099,761
1851 to 1859—Nine Years	252,026,653
	<hr/>
	£2,130,882,179

This is for *simple interest only*; yet even this gigantic sum represents only a comparatively small portion of the actual costs of war; moreover, it must be remembered that all this has been abstracted from the working capital of the country, therefore, in reality, “compound interest” should be charged to represent even the outlay for payment of the simple interest; to which must be added a much larger sum for *extra* taxation levied to carry on war.

The long reign of George III. ought to be for ever memorable, if only for the stupendous addition then made to the National Debt. It may almost be said that the Debt was created during that reign.

It is also remarkable that, the only reign in which the Public Debt was diminished, was the reign of George IV.

M. TURGOT—AND TAXATION.

M. Turgot,—in his Fragmentary Tracts, and Essays on Direct and Indirect Taxation,—begins by enumerating three different forms of Taxation, viz.:—

Direct Taxes on Property.

Direct Taxes on Persons.

Indirect Taxes on Articles of Consumption.

After some observations about the latter, he undertakes to show that, in whatever form they may be levied, they fall, eventually, on the land-owners.

He further arrives at the opinion that, between augmented expense of collection, and diminution of the value of property, the owner of the soil is, in reality, mulcted much more severely by indirect taxation, than he would be if the whole of the net revenue, thus raised, were taken directly from his property.

He then gives the following reasons for preferring *direct* to *indirect* taxation:—

1. Because the owners of property alone are holders for the service of the State.

2. Because Direct Taxation, being levied at the least expense, the owner of the soil, who, under any system, eventually pays all, saves thereby the amount of the expense of collection, and the gains of surveyors of inland revenue, managers, and farmers of taxes.

3. Because Indirect Taxation imposes a multitude of restrictions on commerce,—because it causes legal processes, frauds, and confiscations,—the loss of a great number of men,—a war of government against its subjects,—a disproportionate penalty attached to certain acts,—a continual and almost irresistible temptation to fraud, which is, nevertheless, subjected to the most cruel penalties.

4. Because Indirect Taxation is, in many respects, an attack upon liberty.

5. Because it has a great tendency to prevent consumption, and so ruins itself.

6. Because it augments State expenses, inasmuch as the State pays both on its own account, and that of its agents.

7. Because it gives to foreign merchants an advantage in commercial competition.

8. Finally, because its effects cannot always be calculated exactly, whereas the owner of property knows the proportion which the sum he pays in taxes bears to his revenue.

* * * * *

In every indirect tax it is almost impossible to avoid prevarications. To prove cases of fraud it is necessary to give to the Commissioners the right of being believed on their verbal declarations, which is an irremediable source of vexation.

The complications of the tariff, and of the laws which are designed to prevent the evasion of the tax, render it impossible for people to resist the concomitant annoyances; for in the face of so many obscure and doubtful points, what private person would dare to risk an action against the authorised agents of government?

But although the whole weight of the taxation, in whatever form it may be levied, falls, eventually, on the owners of the property, it by no means follows that the mode in which it is raised makes no difference, either to the proprietor, or to the Government. As regards the former, we have already seen that, it is his interest to pay that which the State needs, and nothing more. The tax levied on him absorbs only a portion of his income, the allocation of which may vary without making any difference in the order and proportion of the moving force of society. Everything keeps its place; all the relative commercial values remain the same; no species of labor, no article of merchandise, is subject to those

artificial enhancements of value, the effects of which, as they are spread far and wide, and cannot be foreseen, or appreciated, derange the course of industry. Furthermore, under a system of direct taxation, the desire of evading a custom-house, or any local or transitory duty, does not act so as to turn aside trade from its natural path, and cause expenses to be incurred which, though useless in themselves, are less than those which it is sought to avoid.

Neither the journeyman, who is entirely dependent on the labor of his hands, nor the pauper, who is unable to find work, nor the sufferer from old age or infirmity,—can live without paying the indirect taxes. Though the owners of property may reimburse themselves for the payments thus made, they are, nevertheless, an advance from the poor man to the rich; and the former is, in the meantime, subjected to all the languors of misery. The State demands the tax from the man who has nothing, and it is against him that it directs all those harsh proceedings which are necessary to enforce its due payment. All this comes upon the man to whom his labor procures nought but the necessaries of life, who is, consequently, under the greatest temptation to have recourse to fraudulent evasions, and is thereby exposed to the severest penalties which are requisite for the protection of the revenue. These penalties frequently entail the total ruin of the poor man and his family, and occasionally bring him to the gaol or to the galleys.

The Government knows not, when it imposes a duty on any merchandise, how much it exacts from the different classes. The necessarily vague estimates which it is able to procure of the quantity of any one article that is consumed, cannot enlighten it as to the possible variations of its consumption, or the diminution caused therein by the very imposition of the tax, or the increase of fraud for the purpose of evasion. It knows not if

the rupture of the equilibrium of the value of the divers wares in the market may not be felt even in the trade of those articles which it did not intend to tax. It knows not how far such a tax may diminish, or even totally annihilate, the business of such and such an establishment, or injure any one branch of national industry so as to drive it away to another country.

* * * * *

Taxes on exchanges and on the transactions of society are of a not less odious nature.

It would seem as if such a financial system, like a monster of prey, made it its business to look out for the riches of the citizens in their passage to and fro. This is a very clumsy mistake. For to what purpose is all this disguised lying in wait for riches, when all real wealth is, as it were, in the light of the sun?

THE SMALLEST TRIFLE SO PAID IS A SUBTRACTION FROM ACTUAL PROPERTY.

TAXES OUGHT TO BE FOR THE PRESERVATION OF PROPERTY, NOT TO PREVENT ITS FORMATION.

[As these words cannot here be printed in gold letters, they are printed in capitals.]

* * * * *

The State has the greatest interest in preserving the masses of capital.

It is from these masses that all advances necessary for commercial and agricultural enterprises, and for the improvement of realised property, are derived. They are formed by the slow processes of economy. For the State to claim as revenue a part of the capital accumulated to make the advances required for the payment of labor, is, in part, to destroy the sources of its own revenue.

Indirect Taxes will destroy Capital so much the quicker as their injurious incidence is at first less felt, and causes less alarm.

* * * * *

As each citizen, in buying the article which he wishes to consume, appears to pay the tax to which it is subject entirely of his own accord, many people, including some writers of distinction, have been so far deceived by this apparent freedom of the tax-payer, as unhesitatingly to declare their preference of the duties which are levied on articles of consumption, and on the exportation and importation of articles of merchandise, to any other system of taxation.

But those who have thoroughly mastered the subject have come to a very different conclusion. Their reflections, which are confirmed by experience, have shown them clearly that, *the whole burden of taxation*, in whatever form it is first raised, when traced through all its ramifications, *falls eventually upon the owners of the soil*. It sometimes falls upon them directly by the application of part of their revenue to the necessities of the State—sometimes indirectly, by the diminution of the incomes and augmentation of their expenditure.

It is evident that every tax which increases the expenses of cultivation, diminishes the rent of land.

The incomes of the various other members of society, whether they be cultivators of the soil, workmen, traders, or capitalists, is composed of the wages of labor, the remuneration of industry, and the interest of advances. They are reduced by competition to the lowest possible amount, and are never more than what is required for the maintenance of agriculture, arts, commerce, and circulation. That portion of the annual wealth which is devoted to the support of motion and life in the body politic, cannot be turned to other purposes without injuring the public prosperity, and drying up the fountain head of riches, to the great detriment both of the proprietors of the soil, and of the entire State.

The worrying inquiries which the very nature of indirect taxation necessitates, and which follow a man in

every business transaction, intruding often into the most secret recesses of his house; the frequent interferences with liberty which they sometimes require; the silent warfare which they establish between the bulk of the nation and the surveyors of taxes whom the Government deem themselves to support; all these necessary consequences of taxes on articles of consumption tend incessantly to relax the ties which attach a man to his country, and to transform into an odious charge that which ought to be an act of patriotism on the part of a good citizen, namely, an annual contribution to the common expense of society, a sacrifice of each to his own individual security, as well as that of the State.

To this may be added that, if the indirect tax be limited to the valuable articles consumed merely by the rich, it will bring in next to nothing, because the number of such rich consumers must necessarily be very small. If, on the contrary, it is imposed on articles of common consumption, its weight becomes very disproportionate to the incomes of the consumers; being next to nothing on the very rich, but making an overwhelming demand on the poor laborers who perform the most toilsome and the most useful tasks. Among these are comprised all those directly employed in agriculture. This very circumstance cannot but increase the expenses of cultivation, and casts the tax, in the most onerous manner, on the owners of land, and is most ruinous to the farmers' capital. It must end by causing the abandonment of the cultivation of lands of inferior quality, and so diminish the subsistence of the population, and rapidly precipitate the whole nation into poverty.

* * * * *

Such was the opinion of this eminent French Statesman, Turgot, who was born at Paris in 1727, and made Comptroller General of the Finances of France in 1774. He did much to free commerce from its general fetters,

and to encourage industry; but his benevolent views were thwarted by the intrigues of those unhappy times, and he was removed in 1776. He died in 1781, and the tract from which the foregoing extracts are taken was never completed.

It is impossible for any one, capable of appreciating these extracts, to read them without feelings of surprise and admiration; surprise that any one living in such times, and in such a country, should have formed such opinions; and admiration at the clearness, simplicity, and exactitude of expression.

It seems as if every one, following the reasoning of these extracts, must be led to the conclusion of these pages.

But the Author only very recently became acquainted with these details of M. Turgot's views on Taxation. The exact agreement between these views, and the reasoning in support of them, as set forth by M. Turgot and by the Author of "The People's Blue-Book," is remarkable and satisfactory.

MARSHAL VAUBAN—AND TAXATION.

It is not generally known that, this great General, and Military Engineer, of Louis XIV. was also a Political Economist, and that, for his political opinions, he died the death of a martyr.

It is not because his opinions are, at this day, of so much value, that they are here brought specially under notice, but because his opinions were so much in advance of the times in which he lived, and because the expression of those opinions in those times was received in a manner so like the reception of similar opinions in the present day, that this notice may be useful as a warning, and a lesson of experience.

The fuller particulars of this short history will be found in the Memoirs of the Duke de St. Simon.

‘Vauban, who though he had served his country all his life in a military career, in which he had attained to the highest distinctions, had all his life been touched with the misery of the People, and the vexations under which they lived, of which his position gave him ample experience. The knowledge that his offices gave him of the necessity for expense, the little hope he had that the King would retrench in matters of splendor, and amusement, made him groan to see no remedy to an oppression which increased in weight from day to day. Feeling this, he made no journey that he did not collect information upon the value and produce of the land, upon the trade and industry of the towns and provinces, on the nature of the imposts, and the manner of collecting them. Not content with this, he secretly sent to such places as he could not visit himself, or even to those he had visited, to instruct him in everything, and compare the reports he received with those he had himself made. The last 20 years of his life were spent in these researches, and at considerable cost to himself. In the end, he convinced himself, that the land was the only real wealth, and he set himself to work to form a new system.

He had already made much progress, when several little books appeared by Boisguilbert, Lieut.-General at Rouen, who long had had the same views as Vauban, and had wanted to make them known. From this labor had resulted a learned and profound book, in which a system was explained, by which the people could be relieved of all the expenses they supported, and from every tax, and by which the revenue collected would go at once into the treasury of the King, instead of enriching, first the traitants, the intendants, and the finance ministers. These latter, therefore, were opposed to the system, and their

opposition, as will be seen, was of no slight consequence.

Vauban read this book with much attention. He differed on some points with the author, but agreed with him in the main.

Boisguilbert wished to preserve some imposts upon foreign commerce, and upon provisions. Vauban wished to abolish all imposts, and to substitute for them two taxes, one upon the Land, the other upon Trade and Industry. His book, in which he put forth these ideas, was full of information and figures, all arranged with the utmost clearness, simplicity, and exactitude.

But it had a great fault. It described a course which, if followed, would have ruined an army of financiers, of clerks, of functionaries, of all kinds; it would have forced them to live at their own expense, instead of at the expense of the people; and it would have sapped the foundations of those immense fortunes that are seen to grow up in such a short time. This was enough to cause its failure.

All the people interested in opposing the work set up a cry. They saw place, power, everything, about to fly from their grasp, if the counsels of Vauban were acted upon. What wonder, then, that the King, who was surrounded by these people, listened to their reasons, and received with a very ill grace Marshal Vauban when he presented his book to him. The ministers, it may well be believed, did not give him a better welcome. From that moment his services, his military capacity (unique of its kind), his virtues, the affection the King had had for him, all was forgotten. The King saw only in Marshal Vauban a man led astray by love for the people, a criminal who attacked the authority of the ministers, and consequently that of the King. He explained himself to this effect without scruple.

The unhappy Marshal could not survive the loss of

his royal master's favor, or stand up against the enmity the King's explanations had created against him: he died a few months after, consumed with grief, and with an affliction nothing could soften, and to which the King was insensible to such a point that, he made semblance of not perceiving that he had lost a servitor so useful, and so illustrious. Vauban, justly celebrated over all Europe, was regretted in France by all who were not financiers, or their supporters.

Boisguilbert, whom this event ought to have rendered wise, could not contain himself. One of the objections which had been urged against his theories, was the difficulty of carrying out changes in the midst of a great war. He now published a book refuting this point, and describing such a number of abuses then existing, to abolish which, he asked, was it necessary to wait for peace, that the ministers were outraged. Boisguilbert was exiled to Auvergne.

I did all in my power to revoke this sentence, having known Boisguilbert at Rouen, but did not succeed until the end of two months. He was then allowed to return to Rouen, but was severely reprimanded, and stripped of his functions for some little time. He was amply indemnified, however, for this by the crowd of people, and the acclamations with which he was received.

It is due to Chamillart to say, that he was the only minister who had listened with any attention to these new systems of Vauban, and Boisguilbert. He, indeed, made trial of the plans suggested by the former, but the circumstances were not favorable to his success, and they, of course, failed. Some time after, instead of following the system of Vauban, and reducing the imposts, fresh ones were added. Who would have said to Vauban that all his labors for the relief of the People of France would lead to new imposts, more harsh, more permanent, and more heavy than he protested against?

It is a terrible lesson against all improvements in matters of taxation, and finance.

* * * *

Desmarets, in whom the King had been forced to put all his confidence in finance matters, conceived the idea of establishing in addition to so many taxes, that Royal Tithe upon all the property of each community, and of each private person, of the realm, that Vauban, on the one hand, and Boisguilbert on the other, had formerly proposed; but as a simple, and sole, tax which would suffice for all, which would all enter the coffers of the King, and by means of which every other impost would be abolished.

We have seen what success this proposition met with; how the financiers trembled at it; how the ministers blushed at it; with what anathemas it was rejected, and to what extent those two excellent, and skilful, citizens were disgraced. All this must be recollected here, since Desmarets, who had lost sight of this system (not as relief and remedy—unpardonable crimes in the financial doctrine), now had recourse to it.

He imparted his project to three friends, Councillors of State, who examined it well, and worked hard to see how to overcome the obstacles which arose in the way of its execution. In the first place it was necessary in order to collect this tax, to draw from each person a clear statement of his wealth, of his debts, and so on. It was necessary to demand sure proofs on these points, so as not to be deceived. Here was all the difficulty. Nothing was thought of the desolation this extra impost must cause to a prodigious number of men, or of their despair upon finding themselves obliged to disclose their family secrets; to have a lamp thrown, as it were, upon their most delicate parts; all these things, I say, went for nothing. Less than a month sufficed these humane commissioners to render an account of this gentle pro-

ject to the Cyclop who had charged them with it. Desmarets thereupon proposed it to the King, who accustomed as he was to the most ruinous imposts, could not avoid being terrified at this. For a long while he had heard nothing talked of but the most extreme misery; this increase saddened him in a manner so evident, that his valets perceived it several days running, and were so disturbed at it, that Maréchal (who related all this curious anecdote to me) made bold to speak to the King upon this sadness, fearing for his health.

The King avowed to him that he felt infinite trouble, and threw himself vaguely on the state of affairs. Eight or ten days after (during which he continued to feel the same melancholy), the King regained his usual calmness, and called Maréchal to explain the cause of his trouble.

The King related to Maréchal that the extremity of his affairs had forced him to put on furious imposts; that setting aside compassion, scruples had much tormented him for taking thus the wealth of his subjects; that at last he had unbosomed himself to the Père Teller, who had asked for a few days to think upon the matter, and that he had returned after having had a consultation with some of the most skilful Doctors of the Sorbonne, who had decided that, *all the wealth of his subjects was his, and that, when he took it, he only took what belonged to him!* The King added, that this decision had taken away all his scruples, and had restored to him, the calm and tranquillity he had lost. Maréchal was so astonished, so bewildered to hear this recital that he could not offer one word. Happily for him, the King quitted him almost immediately, and Maréchal remained some time in the same place, scarcely knowing where he was.

After the King had been thus satisfied by his confessor, no time was lost in establishing the tax. On

Tuesday, the 30th of September, Desmarets entered the Finance Council with the necessary edict in his bag.

For some days everybody had known of this bomb-shell in the air, and had trembled with that remnant of hope which is founded only upon desire; all the Court, as well as all Paris waited in a dejected sadness to see what would happen. People whispered to each other, and when the project was rendered public, no one dared to talk of it aloud.

On the day above-named, the King brought forward this measure in the Council, by saying, that the impossibility of obtaining peace, and the extreme difficulty of sustaining the war, had caused Desmarets to look about in order to discover some means, which should appear good, of raising money; that he had pitched upon this tax; that he (the King), although sorry to adopt such a resource, approved it, and had no doubt the Council would do so likewise, when it was explained to them.

Desmarets, in a pathetic discourse, then dwelt upon the reasons which had induced him to propose this tax, and afterwards read the edict through from beginning to end, without interruption.

No one spoke when it was over, until the King asked D'Aguesseau his opinion. D'Aguesseau replied, that it would be necessary for him to take home the edict, and read it through very carefully before expressing an opinion. The King said that D'Aguesseau was right—it *would* take a long time to examine the edict—but, after all, examination was unnecessary, and would only be loss of time. All remained silent again, except the Duc de Beauvilliers, who, seduced by the nephew of Colbert, whom he thought an oracle in finances, said a few words in favor of the project. Thus was settled this bloody business, and immediately after signed, sealed, and registered, among stifled sobs, and published amidst the most gentle, but most piteous complaints.

The product of this tax was nothing like so much as had been imagined in this bureau of cannibals; and the King did not pay a single farthing more to anyone than he had previously done. Thus, all the fine relief expected by this tax ended in smoke.

The Marshal de Vauban had died of grief, at the ill success of his task, and his zeal, as I have related in its place. Poor Boisguilbert, in the exile his zeal had brought him, was terribly afflicted, to find he had innocently given advice which he intended for the relief of the State, but which had been made use of in this frightful manner. Every man, without exception, saw himself a prey to the tax-gatherers; reduced to calculate and discuss with them his own patrimony, to receive their signature, and their protection under the most terrible pains; to show in public all the secrets of his family; to bring into the broad open day-light domestic turpitudes enveloped until then in the folds of precautions the wisest, and the most multiplied. Many had to convince the tax-agents, but vainly, that although proprietors, they did not enjoy the tenth part of their property. All Languedoc offered to give up its entire wealth, if allowed to enjoy, free from every impost, the tenth part of it. The proposition not only was not listened to, but was reputed an insult, and severely blamed.

Monseigneur le Duc de Bourgogne spoke openly against this tax, and against the finance people, who lived upon the very marrow of the people; spoke with a just and holy anger that recalled the memory of St. Louis, of Louis XII., Father of the People, and of Louis the Just. Monseigneur, too, moved by this indignation, so unusual, of his son, sided with him, and showed anger at so many exactions as injurious, as barbarous, and at so many insignificant men so monstrously enriched with the nation's blood. Both father and son

infinitely surprised those who heard them, and made themselves looked upon in some sort, as resources from which something might hereafter be hoped for. But the edict was issued, and though there might be some hope in the future, there was none in the present. And no one knew who was to be the real successor of Louis XIV., and how under the next Government, we were to be still more overwhelmed than under this one.

One result of this tax was, that it enabled the King to augment all his infantry with five men per company.

A tax was also levied upon the usurers, who had much gained by trafficking in the paper of the King, that is to say, had taken advantage of the need of those to whom the King gave this paper in payment. These usurers are called *agioteurs*. Their mode was, ordinarily, to give, for example, according as the holder of paper was more or less pressed, 300, or 400 francs (the greater part often in provisions), for a bill of a thousand francs! This game was called *agio*. It was said that thirty millions were obtained from this tax. Many people gained much by it; I know not if the King were the better treated.

Soon after this the coin was re-coined, by which great profit was made for the King, and much wrong done to private people, and to trade. In all times it has been regarded as a very great misfortune to meddle with coin, and money. Desmarets has accustomed us to tricks with the money; M. le Duc and Cardinal Fleury to interfere with corn, and to fictitious famine.

At the commencement of December, the King declared that he wished there should be, contrary to custom, plays, and “apartments” at Versailles, even when Monseigneur should be at Meudon. He thought, apparently, he must keep his Court full of amusements, to hide, if it were possible, abroad and at home, the disorder, and the extremity of affairs. For the same reason, the

carnival was opened early this season, and all through the winter there were many balls of all kinds at the Court, where the wives of the ministers gave very magnificent displays, like fêtes, to Madame la Duchesse de Bourgogne and to all the Court.

But Paris did not remain less wretched, or the provinces less desolated.

And thus I have arrived at the end of 1710.'

The foregoing is abridged from the French, of the Duke de St. Simon, by Bayle St. John.

Here we may see the origin of the French Revolution, and of its horrors.

France for a thousand years had been subject to tyrants, and the country, when not desolated by oppression and taxation, was brutalized by bigotry and licentiousness.

If we compare the six thousand persons supposed to have perished under the hands of executioners during the French Revolution, with the multitudes which perished by fictitious famine, brought on by the tyrant kings and their miscreant ministers, with the connivance of the infamous nobility, all astonishment ceases, but at the clemency shown by the brutalized and infuriated People in the hour of their vengeance and triumph.

Who can doubt that the horrors of the French Revolution would have been unknown, if the just and wise views of Vauban had been carried out in his time? And who can doubt, after this experience, that accumulated wrongs work out, slowly but surely, their own redress, even in this world, with fearful retribution?

The only value of history is in its lessons of experience, and if it do not teach to be wise in time, all its teaching is good for nothing more than the historic ballad of "Chevy Chase."

ADAM SMITH—AND TAXATION.

The few Extracts which will be here given from the Writings of our great Master "On the Nature and Causes of the Wealth of Nations," are for the purpose of showing the perfect coincidence of his views with those of Turgot and Vauban, as also with the Scheme of Taxation here presented, on all the most essential points.

Adam Smith shows that, the private revenue of individuals arises ultimately from three different sources; Rent, Profit, and Wages.

Every tax must finally be paid from one or other of these three different sorts of revenue, or from all of them indifferently.

1. The subjects of every State ought to contribute towards the support of the Government, as nearly as possible, in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the State.

2. The tax which each individual is bound to pay ought to be certain, and not arbitrary. The time of payment, the manner of payment, the quantity to be paid, ought all to be clear and plain to the contributor, and to every other person.

3. Every tax ought to be levied at the time, or in the manner, in which it is most likely to be convenient for the contributor to pay it.

4. Every tax ought to be so contrived as both to take out and to keep out of the pockets of the people as little as possible, over and above what it brings into the public treasury of the State.

[Let the reader mark what follows, bearing in mind our Excise and Customs duties, and our assessed and other taxes.]

A tax may either take out or keep out of the pockets

of the people a great deal more than it brings into the public treasury, in the four following ways. First, the levying of it may require a great number of officers, whose salaries may eat up the greater part of the produce of the tax, and whose perquisites may impose another additional tax upon the people. Secondly, it may obstruct the industry of the people, and discourage them from applying to certain branches of business which might give maintenance and employment to great multitudes. While it obliges people to pay, it may thus diminish, or perhaps destroy, some of the funds which might enable them more easily to do so. Thirdly, by the forfeitures and other penalties which those unfortunate individuals incur who attempt unsuccessfully to evade the tax, it may frequently ruin them, and thereby put an end to the benefit which the community might have received from the employment of their capitals. An injudicious tax offers a great temptation to smuggling. But the penalties of smuggling must rise in proportion to the temptation. The law, contrary to all the ordinary principles of justice, first creates the temptation, and then punishes those who yield to it; and it commonly enhances the punishment too in proportion to the very circumstance which ought certainly to alleviate it, the temptation to commit the crime. Fourthly, by subjecting the people to the frequent visits of the odious examination of the tax-gatherers, it may expose them to much unnecessary trouble, vexation, and oppression; and though vexation is not, strictly speaking, expense, it is certainly equivalent to the expense at which every man would be willing to redeem himself from it.

It is in some one or other of these four different ways that taxes are frequently so much more burdensome to the people than they are beneficial to the Sovereign.

He takes a short review of some of the principal taxes which have taken place in different ages and countries,

to show that all nations have not been equally successful in their endeavours to render their taxes as equal as they could contrive; as certain, as convenient to the contributor, both in the time and mode of payment, and in proportion to the revenue which they brought to the State, as little burdensome to the people.

A tax upon the rent of land may either be imposed according to a certain canon, every district being valued at a certain rent, which valuation is not afterwards to be altered; or it may be imposed in such a manner as to vary with every variation in the real rent of the land, and to rise or fall with the improvement or declension of its cultivation.

A Land-Tax which, like that of Great Britain, is assessed upon each district according to a certain invariable canon, though it should be equal at the time of its first establishment, necessarily becomes unequal in process of time, according to the unequal degrees of improvement or neglect in the cultivation of the different parts of the country. In England, the valuation according to which the different counties and parishes were assessed to the land-tax by the 4th of William and Mary, was very unequal even at its first establishment.

This tax, therefore, so far offends against the first of the four maxims above mentioned. It is perfectly agreeable to the other three. It is perfectly certain. The time of payment for the tax, being the same as that for the rent, is as convenient as it can be to the contributor. Though the landlord is in all cases the real contributor, the tax is commonly advanced by the tenant, to whom the landlord is obliged to allow it in the payment of the rent. This tax is levied by a much smaller number of officers than any other which affords nearly the same revenue.

As the tax of each district does not rise with the rent, the sovereign does not share in the profits of the landlord's improvements.

Those improvements sometimes contribute, indeed, to the discharge of the other landlords of the district. But the aggravation of the tax, which this may sometimes occasion upon a particular estate, is always so very small, that it never can discourage those improvements, nor keep down the produce of the land below what it would otherwise rise to. As it has no tendency to diminish the quantity, it can have none to raise the price of that produce. It does not obstruct the industry of the people. It subjects the landlord to no other inconvenience besides the unavoidable one of paying the tax.

The advantage, however, which the landlord has derived from the invariable constancy of the valuation by which all the lands of Great Britain are rated to the land-tax, has been principally owing to some circumstances altogether extraneous to the nature of the tax.

It has been owing in part to the great prosperity of almost every part of the country, the rents of almost all the estates of Great Britain have since the time when this valuation was first established, been continually rising, and scarce any of them have fallen. The landlords, therefore, have almost all gained the difference between the tax which they would have paid, according to the present rent of their estates, and that which they actually pay according to the ancient valuation.

Taxes which are proportioned, not to the Rent, but to the produce of Land.

Taxes upon the produce of land are in reality taxes upon the rent; and though they may be originally advanced by the farmer, are finally paid by the landlord. When a certain portion of the produce is to be paid away for a tax, the farmer computes, as well as he can, what the value of this portion is, one year with another, likely to amount to, and he makes a proportionable abatement in the rent which he agrees to pay to the land-

lord. There is no farmer who does not compute beforehand what the Church tythe,—which is a land tax of this kind, is, one year with another, likely to amount to.

A tax upon the produce of land which is levied in money, may be levied either according to a valuation which varies with all the variations of the market price; or according to a fixed valuation, a bushel of wheat, for example, being always valued at one and the same money price, whatever may be the state of the market.

The produce of the tax levied in the former way, will vary only according to the variations in the real produce of the land, according to the improvement or neglect of cultivation. The produce of a tax levied in the latter way, will vary not only according to the variations in the produce of the land, but according both to those in the value of the precious metals, and those in the quantity of those metals which is at different times contained in coin of the same denomination. The produce of the former will always bear the same proportion to the value of the real produce of the land. The produce of the latter may, at different times, bear very different proportions to that value.

Taxes upon the Rent of Houses.

The Rent of a house may be distinguished into two parts, of which the one may very properly be called the Building Rent; the other is commonly called the Ground Rent.

The building rent is the interest or profit of the capital expended in building the house. In order to put the trade of a builder upon a level with other trades, it is necessary that this rent should be sufficient, first, to pay him the same interest which he would have got for his capital if he had lent it upon good security; and, secondly, to keep the house in constant repair, or, what comes to the same thing, to replace within a certain term of years,

the capital which had been employed in building it. The building rent, or the ordinary profit of building, is, therefore, everywhere regulated by the ordinary interest of money. Where the market rate of interest is four per cent. the rent of a house which, over and above paying the ground-rent, affords six or six and a half per cent. upon the whole expense of building, may perhaps afford a sufficient profit to the builder. Where the market rate of interest is five per cent., it may perhaps require seven or seven and a half per cent.

If in proportion to the interest of money, the trade of the builder afford at any time a much greater profit than this, it will soon draw so much capital from other trades as will reduce the profit to its proper level. If it afford at any time much less than this, other trades will soon draw so much capital from it as will again raise that profit.

Whatever part of the whole rent of a house is over and above what is sufficient for affording this reasonable profit, naturally goes to the ground-rent; and where the owner of the ground and the owner of the building are two different persons, is, in most cases, completely paid to the former. The surplus rent is the price which the inhabitant of the house pays for some real or supposed advantage of the situation.

A tax upon house-rent, payable by the tenant and proportioned to the whole rent of each house, could not, for any considerable time at least, affect the building rent. If the builder did not get his reasonable profit, he would be obliged to quit the trade; which by raising the demand for building, would in a short time bring back his profit to its proper level with that of other trades. Neither would such a tax fall altogether upon the ground-rent; but it would divide itself in such a manner as to fall partly upon the inhabitant of the house and partly upon the owner of the ground.

The inequality with which a tax of this kind might fall upon the owners of different ground-rents, would arise altogether from the accidental inequality of this division. But the inequality with which it might fall upon the inhabitants of different houses, would arise, not only from this, but from another cause. The proportion of the expense of house-rent to the whole expense of living, is different in the different degrees of fortune. It is perhaps highest in the highest degree, and it diminishes gradually through the inferior degrees, so as in general to be lowest in the lowest degree. The necessities of life occasion the great expense of the poor. They find it difficult to get food, and the greater part of their little revenue is spent in getting it. The luxuries and vanities of life occasion the principal expense of the rich; and a magnificent house embellishes and sets off to the best advantage all the other luxuries and vanities which they possess. A tax upon house-rents, therefore, would in general fall heaviest upon the rich; and in this sort of inequality there would not, perhaps, be anything very unreasonable. It is not very unreasonable that the rich should contribute to the public expense, not only in proportion to their revenue, but something more than in that proportion.

The rent of houses, though it in some respects resembles the rent of land, is in one respect essentially different from it.

The rent of land is paid for the use of a productive subject. The land which pays it produces it. The rent of houses is paid for the use of an unproductive subject. Neither the house nor the ground which it stands upon produces anything. The person who pays the rent, therefore, must draw it from some other source of revenue, distinct from and independent of this subject. A tax upon the rent of houses, so far as it falls upon the inhabitants, must be drawn from the same source as the

rent itself, and must be paid from their revenue, whether derived from the wages of labor, the profits of stock, or the rent of land.

So far as it falls upon the inhabitants, it is one of those taxes which fall, not upon one only, but indifferently upon all the three different sources of revenue; and is in every respect of the same nature as a tax upon any other sort of consumable commodities. In general there is not, perhaps, any one article of expense or consumption by which the liberality or narrowness of a man's whole expense can be judged of, than by his house-rent. A proportional tax upon this particular article of expense might, perhaps, produce a more considerable revenue than any which has hitherto been drawn from it in any part of Europe. If the tax indeed was very high, the greater part of people would endeavor to evade it, as much as they could, by contenting themselves with smaller houses, and by turning the greater part of their expense into some other channel.

The rent of houses might easily be ascertained with sufficient accuracy, by a policy of the same kind with that which would be necessary for ascertaining the ordinary rent of land. Houses not inhabited ought to pay no tax. A tax upon them would fall altogether upon the proprietor, who would thus be taxed for a subject which afforded him neither conveniency nor revenue. Houses inhabited by the proprietor ought to be rated, not according to the expense which they might have cost in building, but according to the rent which an equitable arbitration might judge them likely to bring, if leased to a tenant. If rated according to the expense which they might have cost in building, a tax of three or four shillings in the pound, joined with other taxes, would ruin almost all the rich and great families of this, and, I believe, of every other civilized country.

Ground-Rents are a still more proper subject of taxa-

tion than the rent of houses. A tax upon ground-rents would not raise the rents of houses. It would fall altogether upon the owner of the ground-rent, who acts always as a monopolist, and exacts the greatest rent which can be got for the use of his ground. More or less can be got for it according as the competitors happen to be richer or poorer, or can afford to gratify their fancy for a particular spot of ground at a greater or smaller expense. In every country the greatest number of rich competitors is in the capital, and it is there accordingly that the highest ground-rents are always to be found. As the wealth of those competitors would in no respect be increased by a tax upon ground-rents, they would not probably be disposed to pay more for the use of the ground. Whether the tax was to be advanced by the inhabitant, or by the owner of the ground, would be of little importance. The more the inhabitant was obliged to pay for the tax, the less he would incline to pay for the ground; so that the final payment of the tax would fall altogether upon the owner of the ground-rent. The ground-rents of uninhabited houses ought to pay no tax.

Both ground-rents and the ordinary rent of land are a species of revenue which the owner, in many cases, enjoys without any care or attention of his own. Though a part of this revenue should be taken from him in order to defray the expenses of the State, no discouragement will thereby be given to any sort of industry.

The annual produce of the land and labor of the society, the real wealth and revenue of the great body of the people, might be the same after such a tax as before. Ground-rents, and the ordinary rent of land, are, therefore, perhaps, the species of revenue which can best bear to have a peculiar tax imposed upon them.

Taxes upon Profit, or upon the Revenue arising from Stock.

The revenue or profit arising from Stock naturally divides itself into two parts ; that which pays the interest, and which belongs to the owner of the Stock ; and that surplus part which is over and above what is necessary for paying the interest.

This latter part of profit is evidently a subject not taxable directly. It is the compensation, and in most cases it is no more than a very moderate compensation, for the risk and trouble of employing the stock. The employer must have this compensation, otherwise he cannot, consistently with his own interest, continue the employment. If he was taxed directly, therefore, in proportion to the whole profit, he would be obliged either to raise the rate of his profit, or to charge the tax upon the interest of money, that is, to pay less interest. If he raised the rate of his profit in proportion to the tax, the whole tax, though it might be advanced by him, would be finally paid by one or other of two different sets of people, according to the different ways in which he might employ the stock of which he had the management. If he employed it as a farming stock in the cultivation of land, he could raise the rate of his profit only by retaining a greater portion, or, what comes to the same thing, the price of a greater portion of the produce of the land ; and as this could be done only by a reduction of rent, the final payment of the tax would fall upon the landlord. If he employed it as a mercantile or manufacturing stock, he could raise the rate of his profit only by raising the price of his goods ; in which case the final payment of the tax would fall altogether upon the consumers of those goods. If he did not raise the rate of his profit, he would be obliged to charge the whole tax upon that part of it which was allotted for the

interest of money. He could afford less interest for whatever stock he borrowed, and the whole weight of the tax would in this case fall ultimately upon the interest of money. So far as he could not relieve himself from the tax in the one way, he would be obliged to relieve himself in the other.

The interest of money seems at first sight a subject equally capable of being taxed directly as the rent of land. Like the rent of land, it is a neat produce which remains after completely compensating the whole risk and trouble of employing the stock. As a tax upon the rent of land cannot raise rents; because the neat produce which remains after replacing the stock of the farmer, together with his reasonable profit, cannot be greater after the tax than before it: so, for the same reason, a tax upon the interest of money in the country, like the quantity of land, being supposed to remain the same after the tax as before it. The ordinary rate of profit is everywhere regulated by the quantity of stock to be employed in proportion to the quantity of the employment, or of the business which must be done by it. But the quantity of the employment, or of the business to be done by stock, could neither be increased nor diminished by any tax upon the interest of money. If the quantity of the stock to be employed therefore, was neither increased nor diminished by it, the ordinary rate of profit would necessarily remain the same. But the portion of this profit necessary for compensating the risk and trouble of the employer, would likewise remain the same, that risk and trouble being in no respect altered. The residue, therefore, that portion which belongs to the owner of the stock, and which pays the interest of money, would necessarily remain the same too. At first sight, therefore, the interest of money seems to be a subject as fit to be taxed directly as the rent of land.

There are, however, two different circumstances which

render the interest of money a much less proper subject of direct taxation than the rent of land.

FIRST, the quantity and value of the land can never be a secret, and can always be ascertained with great exactness. It is liable, besides, to almost continual variations. A year seldom passes away, frequently not a month, sometimes scarce a single day, in which it does not rise or fall more or less. An inquisition into every man's private circumstances, and an inquisition which, in order to accommodate the tax to them, watched over all the fluctuations of his fortune, would be a source of such continual and endless vexation as no people could support.

SECONDLY, land is a subject which cannot be removed, whereas stock easily may. The proprietor of land is necessarily a citizen of the particular country in which his estate lies.

The proprietor of stock is properly a citizen of the world, and is not necessarily attached to any particular country. He would be apt to abandon the country in which he was exposed to a vexatious inquisition, in order to be assessed to a burdensome tax, and would remove his stock to some other country where he could either carry on his business, or enjoy his fortune more at his ease. By removing his stock he would put an end to all the industry which it had maintained in the country which he left. Stock cultivates land; stock employs labor. A tax which tended to drive away stock from any particular country, would so far tend to dry up every source of revenue both to the Sovereign and to the society. Not only the profits of stock, but the rent of land and the wages of labor, would necessarily be more or less diminished by its removal.

Taxes upon the Profit of particular Employments.

In some countries extraordinary taxes are imposed

upon the profits of stock; sometimes when employed in particular branches of trade, and sometimes when employed in agriculture.

Of the former kind are in England the tax upon hawkers and pedlars, that upon hackney coaches and chairs, and that which the keepers of ale-houses pay for a licence to retail ale and spirituous liquors. During the late war, another tax of the same kind was proposed upon shops. The war having been undertaken, it was said, in defence of the trade of the country, the merchants, who were to profit by it, ought to contribute towards the support of it.

A tax, however, upon the profits of stock employed in any particular branch of trade, can never fall finally upon the dealers (who must in all ordinary cases have their reasonable profit, and, where the competition is free, can seldom have more than that profit) but always upon the consumers, who must be obliged to pay in the price of the goods the tax which the dealer advances; and generally with some overcharge.

A tax of this kind when it is proportioned to the trade of the dealer, is finally paid by the consumer, and occasions no oppression to the dealer. When it is not so proportioned, but is the same upon all dealers, though in this case too it is finally paid by the consumer, yet it favors the great, and occasions some oppression to the small dealer.

Taxes upon the Capital Value of Land, Houses, and Stock.

While property remains in the possession of the same person, whatever permanent taxes may have been imposed upon it, they have never been intended to diminish, or take away any part of its capital value, but only some part of the revenue arising from it. But when property changes hands, when it is transmitted either

from the dead to the living, or from the living to the living, such taxes have frequently been imposed upon it as necessarily take away some part of its capital value.

Those modes of taxation, by stamp duties and by duties upon registration, are of very modern invention. In the course of little more than a century, however, stamp duties have, in Europe, become almost universal, and duties upon registration extremely common. There is no art which one government sooner learns of another, than that of draining money from the pockets of the people.

Taxes upon the transference of property from the dead to the living, fall finally as well as immediately upon the persons to whom the property is transferred. Taxes upon the sale of land fall altogether upon the seller. The seller is almost always under the necessity of selling, and must, therefore, take such a price as he can get. The buyer is scarce ever under the necessity of buying, and will, therefore, only give such a price as he likes. He considers what the land will cost him in tax and price together.

The more he is obliged to pay in the way of tax, the less he will be disposed to give in the way of price. Such taxes, therefore, fall almost always upon a necessitous person, and must, therefore, be frequently very cruel and oppressive. Stamp duties, and duties upon the registration of bonds and contracts for borrowed money, fall altogether upon the borrower, and, in fact, are always paid by him. Duties of the same kind upon law proceedings fall upon the suitors. They reduce to both the capital value of the subject in dispute. The more it costs to acquire property, the less must be the neat value of it when acquired.

All taxes upon the transference of property of every kind, so far as they diminish the capital value of that property, tend to diminish the funds destined for the

maintenance of productive labor. They are all more or less unthrifty taxes that increase the revenue of the Sovereign, which seldom maintains any but unproductive laborers; at the expense of the capital of the people, which maintains none but productive.

Such taxes, even when they are proportioned to the value of the property transferred, are still unequal; the frequency of transference not being always equal in property of equal value.

When they are not proportioned to this value, which is the case with the greater part of the stamp duties, and duties of registration, they are still more so.

[This inequality has since been much reduced.]

The registration of the greater part of deeds is frequently inconvenient and even dangerous to individuals, without any advantage to the public.

All registers which, it is acknowledged, ought to be kept secret, ought certainly never to exist. The credit of individuals ought certainly never to depend upon so very slender a security as the probity and religion of the inferior officers of revenue. But where the fees of registration have been made a source of revenue to the Sovereign, register offices have commonly been multiplied without end.

Such stamp duties as those upon licences to retail ale, wine, and spirituous liquors, though intended, perhaps, to fall upon the profits of retailers, are finally paid by the consumers of those liquors.

Such taxes, though called by the same name, and levied by the same officers and in the same manner with the stamp duties above mentioned upon the transference of property, are however of a quite different nature, and fall upon different funds.

Taxes upon the Wages of Labor.

The annual labor of every nation is the fund which

originally supplies it with all the necessities and conveniences of life which it annually consumes; and which consist always either in the immediate produce of that labor, or in what is purchased with that produce from other nations.

A man must always live by his work, and his wages must, at least, be sufficient to maintain him. They must even upon most occasions be somewhat more; otherwise it would be impossible for him to bring up a family; and the race of such workmen could not last beyond the first generation.

The demand for those who live by wages, it is evident, cannot increase but in proportion to the increase of the funds which are destined to the payment of wages. These funds are of two kinds: first, the revenue which is over and above what is necessary for the maintenance; and, secondly, the stock which is over and above what is necessary for the employment of their masters.

The demand for those who live by wages, therefore, necessarily increases with the increase of the revenue and stock of every country, and cannot possibly increase without it. The increase of revenue and stock is the increase of national wealth. The demand for those who live by wages, therefore, naturally increases with the increase of national wealth, and cannot possibly increase without it. The liberal reward of labor, therefore, as it is the natural effect, so it is the natural symptom of increasing national wealth. The scanty maintenance of the laboring poor, on the other hand, is the natural symptom that things are at a stand, and their starving condition that they are going backwards.

Servants, laborers, and workmen of different kinds, make up the far greater part of every great political society. But what improves the circumstances of the greater part can never be regarded as an inconveniency

to the whole. No society can surely be flourishing and happy of which the far greater part of the members are poor and miserable. It is but equity, besides, that they who feed, clothe, and lodge the whole body of the people, should have such a share of the produce of their own labor as to be themselves tolerably well fed, clothed, and lodged.

The wages of the inferior classes of workmen are everywhere necessarily regulated by two different circumstances; the demand for labor and the ordinary or average price of provisions.

The demand for labor regulates the subsistence of the laborer, and determines in what degree it shall be either liberal, moderate, or scanty. The ordinary or average price of provisions determines the quantity of money which must be paid to the workman in order to enable him, one year with another, to purchase this liberal, moderate, or scanty subsistence.

In all cases a direct tax upon the wages of labor must, in the long run, occasion both a greater reduction in the rent of land, and a greater rise in the price of manufactured goods, than would have followed from the proper assessment of a sum equal to the produce of the tax, partly upon the rent of the land, and partly upon consumable commodities.

If direct taxes upon the wages of labor have not always occasioned a proportionable rise in those wages, it is because they have generally occasioned a considerable fall in the demand for labor. The declension of industry, the decrease of employment for the poor, the diminution of the annual produce of the land and labor of the country, have generally been the effects of such taxes. In consequence of them, however, the price of labor must always be higher than it otherwise would have been in the actual state of the demand; and this enhancement of price, together with the profit of those

who advance it, must always be finally paid by the landlords and consumers.

Absurd and destructive as such taxes are, however, they take place in many countries.

Taxes which it is intended should fall indifferently upon every different species of Revenue.

These are capitation taxes, and taxes upon consumable commodities. These must be paid indifferently from whatever revenue the contributors may possess; from the rent of their land, from the profits of their stock, or from the wages of their labor.

These taxes, if it be attempted to proportion them to the fortune or revenue of each contributor, become altogether arbitrary. The state of a man's fortune varies from day to day, and without an inquisition more intolerable than any tax, and renewed at least once every year, can only be guessed at. His assessment, therefore, must in most cases depend upon the good or bad humor of his assessors, and must, therefore, be altogether arbitrary and uncertain.

Such taxes, therefore, if it be attempted to render them equal, become altogether arbitrary and uncertain; and if it be attempted to render them certain and not arbitrary, become altogether unequal.

Let the tax be light or heavy, uncertainty is always a great grievance. In a light tax a considerable degree of inequality may be supported; in a heavy one it is altogether intolerable.

Taxes upon Consumable Commodities.

The impossibility of taxing the people, in proportion to their revenue, by any capitation, seems to have given occasion to the invention of taxes upon consumable commodities. The State not knowing how to tax, directly and proportionably, the revenue of its subjects, endea-

vors to tax it indirectly by taxing their expense, which, it is supposed, will in most cases be nearly in proportion to their revenue. Their expense is taxed by taxing the consumable commodities upon which it is laid out.

Consumable commodities are either necessities or luxuries.

As the wages of labor are everywhere regulated, partly by the demand for it, and partly by the average price of the necessary articles of subsistence; whatever raises this average price must necessarily raise those wages, so that the laborer may still be able to purchase that quantity of those necessary articles which the state of the demand for labor, whether increasing, stationary, or declining, requires that he should have. A tax upon those articles necessarily raised their price somewhat higher than the amount of the tax, because the dealer, who advances the tax, must generally get it back with a profit. Such a tax must, therefore, occasion a rise in the wages of labor proportionable to this rise of price.

It is thus that a tax upon the necessities of life, operates exactly in the same manner as a direct tax upon the wages of labor. The laborer, though he may pay it out of his hand, cannot, for any considerable time at least, be properly said even to advance it. It must always in the long-run be advanced to him by his immediate employer in the advanced rate of his wages. His employer, if he be a manufacturer, will charge upon the price of his goods this rise of wages together with a profit; so that the final payment of the tax, together with this over-charge, will fall upon the consumer. If his employer be a farmer, the final payment, together with a like over-charge, will fall upon the rent of the landlord.

It is otherwise with taxes upon luxuries; even upon those of the poor. The rise in the price of the taxed commodities will not necessarily occasion any rise in the wages of labor. A tax upon tobacco, for example,

though a luxury of the poor as well as of the rich, will not raise wages.

The high price of such commodities does not necessarily diminish the ability of the inferior ranks of people to bring up families.

Any rise in the average price of necessities, unless it be compensated by a proportionable rise in the wages of labor, must necessarily diminish more or less the ability of the poor to bring up numerous families, and consequently to supply the demand for useful labor; whatever may be the state of that demand, whether increasing, stationary, or declining; or such as requires an increasing, stationary, or declining, population.

Taxes upon luxuries have no tendency to raise the price of any other commodities except that of the commodities taxed. Taxes upon necessities, by raising the wages of labor, necessarily tend to raise the price of all manufactures, and consequently to diminish the extent of their sale and consumption. Taxes upon luxuries are finally paid by the consumers of the commodities taxed, without any retribution. They fall indifferently upon every species of revenue, the wages of labor, the profits of stock, and the rent of land. Taxes upon necessities, so far as they affect the laboring poor, are finally paid, partly by landlords in the diminished rent of their lands, and partly by rich consumers, whether landlords or others, in the advanced price of manufactured goods; and always with a considerable over-charge.

The advanced price of such manufactures as are real necessities of life, and are destined for the consumption of the poor, of coarse woollens, for example, must be compensated to the poor by a farther advancement of their wages. The middling and superior ranks of people, if they understood their own interest, ought always to oppose all taxes upon the necessities of life, as well as all direct taxes upon the wages of labor. The final pay-

ment of both one and the other falls altogether upon themselves, and always with a considerable overcharge. They fall heaviest upon the landlords, who always pay in a double capacity; in that of landlords, by the reduction of their rent; and in that of rich consumers, by the increase of their expense.

Certain taxes are, in the price of certain goods, sometimes repeated and accumulated four or five times, and this is perfectly true with regard to taxes upon the necessities of life.

Such taxes, in proportion to what they bring into the public treasury of the State, always take out, or keep out, of the pockets of the people more than almost any other taxes.

The perquisites of Custom-house officers are everywhere much greater than their salaries; at some ports more than double or triple those salaries.

If the salaries of officers, and other incidents, therefore, amount to more than ten per cent. upon the net revenue of the Customs; the whole expense of levying that revenue may amount, in salaries and perquisites together, to more than twenty or thirty per cent.

Such taxes necessarily occasion some obstruction or discouragement to certain branches of industry. As they always raise the price of the commodity taxed, they so far discourage its consumption, and consequently its production. If it be a commodity of home growth or manufacture, less labor comes to be employed in raising or producing it. If it be a foreign commodity of which the tax increases in this manner the price, the commodities of the same kind which are made at home may thereby, indeed, gain some advantage in the home market, and a greater quantity of domestic industry may thereby be turned toward preparing them. But though this rise of price in a foreign commodity may encourage domestic industry in one particular branch,

it necessarily discourages that industry in almost every other. The dearer the consumers in one country pay for the surplus produce of another, the cheaper they necessarily sell that part of their own surplus produce with which, or, what comes to the same thing, with the price of which they buy it. That part of their own surplus produce becomes of less value to them, and they have less encouragement to increase its quantity. All taxes upon consumable commodities, therefore, tend to reduce the quantity of productive labor below what it otherwise would be, either in preparing the commodities taxed, if they be home commodities; or in preparing those with which they are purchased, if they be foreign commodities. Such taxes, too, always alter, more or less, the natural direction of national industry, and turn it into a channel always different from, and generally less advantageous than, that in which it would have run of its own accord.

The hope of evading such taxes by smuggling gives frequent occasion to forfeitures and other penalties, which entirely ruin the smuggler; a person who, though no doubt highly blameable for violating the laws of his country, is frequently incapable of violating those of natural justice, and would have been, in every respect, an excellent citizen, had not the laws of his country made that a crime which nature never meant to be so.

Not many people are scrupulous about smuggling, when, without perjury, they can find an easy and safe opportunity of doing so. To pretend to have any scruple about buying smuggled goods, though a manifest encouragement to the violation of the revenue laws, and to the perjury which almost always attends it, would in most countries be regarded as one of those pedantic pieces of hypocrisy which, instead of gaining credit with anybody, serve only to expose the person who affects to practise them, to the suspicion of being a greater knave.

than most of his neighbors. By this indulgence of the public, the smuggler is often encouraged to continue a trade which he is thus taught to consider as in some measure innocent; and when the severity of the revenue laws is ready to fall upon him, he is frequently disposed to defend with violence, what he has been accustomed to regard as his just property. From being, at first, perhaps, rather imprudent than criminal, he at last too often becomes one of the hardiest and most determined violators of the laws of society. By the ruin of the smuggler, his capital, which had before been employed in maintaining productive labor, is absorbed either in the revenue of the State, or in that of the revenue officer, and is employed in maintaining unproductive, to the diminution of the general capital of the society, and of the useful industry which it might otherwise have maintained.

Such taxes, by subjecting at least the dealers in the taxed commodities to the frequent visits and odious examination of the tax-gatherers, expose them sometimes, no doubt, to some degree of oppression, and always to much trouble and vexation; and though vexation is not, strictly speaking, expense, it is certainly equivalent to the expense at which every man would be willing to redeem himself from it. The laws of Excise, though more effectual for the purpose for which they were instituted, are, in this respect, more vexatious than those of the Customs. When a merchant has imported goods subject to certain duties of Customs, when he has paid those duties, and lodged the goods in his warehouse, he is not, in most cases, liable to any further trouble or vexation from the Custom-house officer. It is otherwise with goods subject to duties of Excise. The dealers have no respite from the continual visits and examination of the Excise officers. The duties of Excise are, upon this account, more unpopular than those of

the Customs; and so are the officers who levy them. These officers, it is pretended, though in general, perhaps, they do their duty fully as well as those of the Customs; yet, as that duty obliges them to be frequently very troublesome to some of their neighbors, commonly contract a certain hardness of character which the others frequently have not.

After all the proper subjects of taxation have been exhausted, if the exigencies of the State still continue to require new taxes, they must be imposed upon improper ones. The taxes upon the necessities of life, therefore, may be no impeachment of the wisdom of that State which is compelled to adopt them.

The sarcasm, whether intended or not, in the last paragraph, may be an appropriate conclusion to these Extracts.

The whole of these Extracts, though, probably, not so intended, are, in fact, a reproachful commentary on our System of Taxation.

This eminent Writer, and profound reasoner,—in the main correct,—probably did not himself see the full force of his own condemnatory remarks.

It is not pretended to be said that, he saw the full extent to which his own reasoning led.

If he could have seen what, in his time, was very obscure, but what, in the light let in by the experience of nearly a century since he wrote, is now very clear, he would have corrected the few errors which he has left in his great work; and he would have qualified still more than he has done, his indirect acquiescence in many practices quite inconsistent with the principles which he has so clearly laid down, especially as regards the taxation of the laborer in his own labor. It is not pretended however that he contemplated the Scheme of Taxation here proposed.

But those who are well acquainted with the writings of Adam Smith can hardly fail to see, in this scheme, the realisation in practice of every principle which he so strongly advocated in theory. He could not, in his time, see the way to carry out in full those principles which he has so clearly, and, in the main, correctly, laid down; but it was evidently the object of his great work to direct the public mind to these principles, as the true sources of the Wealth of Nations, and to advocate the raising of the necessary revenue of the State, as nearly as then appeared possible, in conformity with these principles.

But the great principle here relied upon as the basis of taxation is thus clearly and forcibly laid down by Adam Smith (Book 1. chap. 10).

“The property which every man has in his own labor, as it is the original foundation of all other property, so it is the most sacred and inviolable. The patrimony of a poor man lies in the strength and dexterity of his hands; and to hinder him from employing this strength and dexterity in what manner he thinks proper without injury to his neighbor, is a plain violation of this most sacred property. It is a manifest encroachment upon the just liberty both of the workman and of those who might be disposed to employ him. As it hinders the one from working at what he thinks proper, so it hinders the others from employing whom they think proper.”

The light which has been let into human affairs within the last century, has made many things practical, which had never before been dreamt of, even by the most lively imagination. It is no more matter of surprise that Adam Smith did not see the way to realise in practice his principles of perfect government, than that he did not see how to turn the power of steam to the practical purposes of the locomotive steam-engine of the present day; or the electric fluid to the purpose of the

telegraph. But it would be as unreasonable to reject the new light in the one case, as in the other; or to assume that what a hundred years ago appeared to be impossible, is still impracticable. Questions of this kind are not to be determined by the judgment and experience of even the most learned and thoughtful men of a past age; but rather by that wisdom of experience which is ever showing us how very narrow have been the limits of all human knowledge, in all ages.

In these abridged Extracts, from the great work of Adam Smith, is comprised the substance of his opinion on the whole question of Taxation, and this may be taken as fairly representing the highest wisdom on the subject at that time; and, much as that wisdom is worthy of admiration in this day, yet, the lessons of experience which we have since learnt, have taught us to rely with greater confidence on many truths which were so imperfectly perceived by him, as to be then but little relied on; and to reject now, as clearly erroneous, some which were then regarded by him as possible, though doubtful, truths. All these doubtful questions have been kept out of view as far as could be, in these Extracts; the present object being, only to support the principles here propounded, by the weight of this high authority, as far as it can be fairly claimed. There is a fashion in authorities as well as in many other things; and it is fortunate that it is the fashion to quote from Adam Smith; but, certainly, many of those who are in the frequent habit of quoting from his writings, have never redde them, and still fewer, perhaps, have any clear understanding of his meaning.

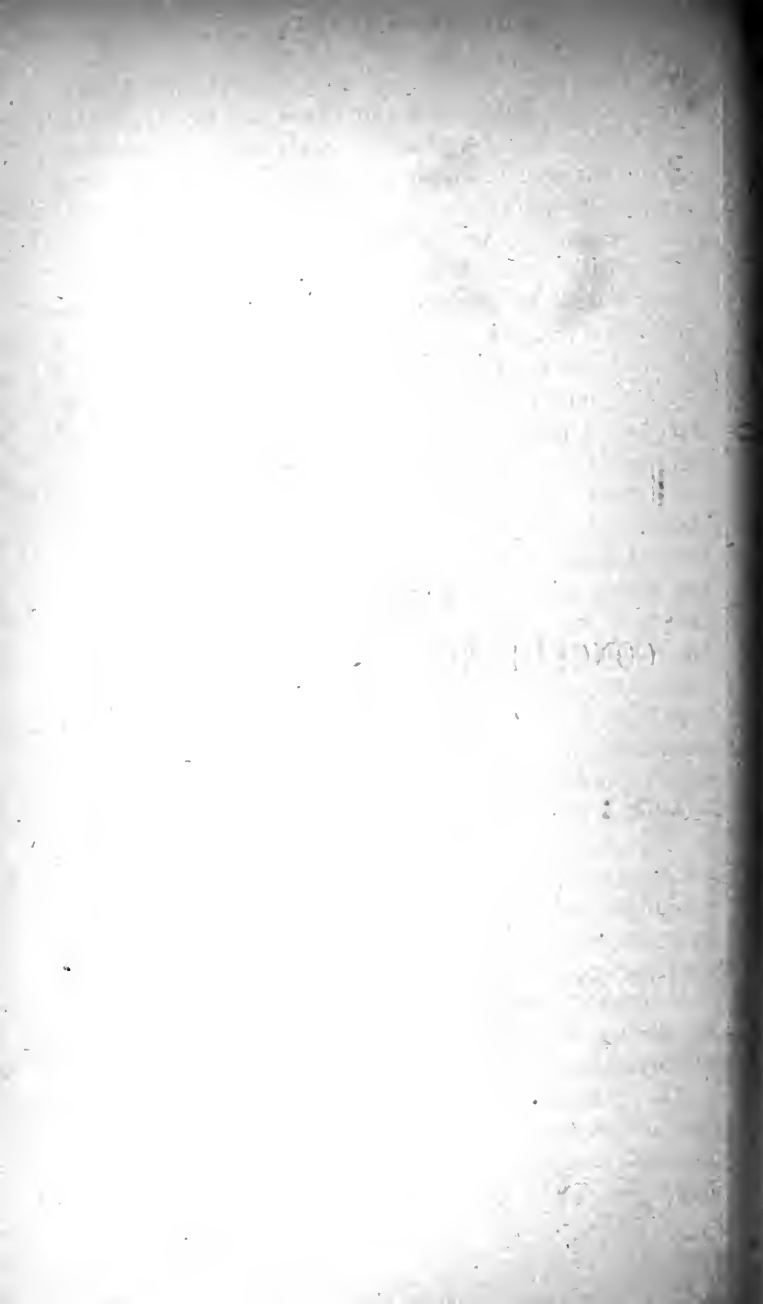
The fact is,—and it must be admitted, however humiliating,—that most persons but very imperfectly understand their own meaning. Comparatively few and unimportant would be the errors of men if they

did but know, *first*,—what they themselves mean ; and, *secondly*, what the words mean by which they attempt to convey their meaning. As it is,—‘the errors of men cause all their misery.’ Malebranche inscribed upon the frontispiece of his book this sentence:—“L’erreur est la cause de la misère des hommes.”

In this abridged form, the careful reader will have no difficulty in understanding the meaning of the text, and he cannot fail to see that, as far as it goes, it entirely supports the view of the whole subject presented in these pages ; and that this view, when carried beyond the text, is, nevertheless, always in perfect consistency with it.

PART V.

CONCLUDING OBSERVATIONS.



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BASTIAT, in his 'Harmonies of Political Economy,' commences his 'Concluding Observations,' thus :—

"In the first part of this Work—alas! too hastily written—I have endeavored to keep the reader's attention fixed upon the line of demarcation, always flexible, but always marked, which separates the two regions of the economic world—natural co-operation, and human labor—the bounty of God, and the work of man—the gratuitous, and the onerous—that which in exchange is remunerated, and that which is transferred without remuneration—aggregate utility, and the fractional and supplementary utility which constitutes value—absolute wealth, and relative wealth—the co-operation of chemical or mechanical forces, constrained to aid production by the instruments which render them available, and the just recompense of the labor which has created these instruments themselves—Community, and Property."

It would be hardly possible to find more appropriate words than these are, for commencing the Concluding Observations to the present imperfect work.

The Author, too, has endeavored to keep the reader's attention fixed upon the line of demarcation between human labor, and its results through the bounty of God;—to preserve the marked distinction

between labor and property, and also to preserve the just recompense of the labor which has created—Community and Property.

Bastiat has marked these two orders of phenomena: he has also described their relations, and their harmonious evolutions.

But he has left to others the task of showing their application to the practical purposes of the social government of mankind.

No one more than the Author wishes that this task had fallen into hands more capable than his. As already noticed, he had undertaken it long before the name of this great Master was known to him. But he entered on his further attempt to elucidate these views with renewed confidence, and he submits the present result with an assured conviction that there are not wanting, in this country and in other countries, good and able men who will hold fast and follow out the great economical truth here advocated;—namely, that it is unjust and unwise to tax the laborer in his own labor, or the trader in his own trade, until he has realised the fair reward of his industry and skill.

He too, like Bastiat, has “*essayed to explain how the business of Property consists in conquering utility for the human race, and casting it into the domain of Community to move on to new conquests—so that each given effort, and consequently the aggregate of efforts, should continually be delivering over to mankind satisfactions which are always increasing.*”

But he has gone further. He has essayed to show how human services, fairly exchanged, while preserving their relative value, *may be made productive of an always increasing proportion of utility, which is gratuitous, and, therefore, common*; and that in this consists, what may be truly called, *progress*—the progress of a nation in political prosperity and power, through

the progress of the People in all that concerns their moral and physical welfare.

Let us now throw a glance back on the ground over which we have passed.

By the light of the theory, the foundation of which has been laid in this small volume, it may be seen:—

1. That the rights of all the classes, which compose the social state, are distinctly recognised, and preserved. That no existing *rights* are disturbed. That nothing is taken from one class to be given to another. But that the great providential arrangements, as far as we can see them, are observed, respected, and followed out.

2. That by following this great principle, of doing right to all, we get Justice to act with us, instead of against us. That we disarm envy, hatred, and malice—remove the stumbling-blocks to lawful authority, and good order—abate, if not destroy, hostility of classes, by uniting all in one common interest of public and individual good. That we raise the moral, as well as the physical, condition of the People, by encouraging the growth of self-respect, by independence, and industry, by successful labor.

3. That we destroy smuggling, and diminish the inducements to drunkenness, adulteration of food, perjury, fraud and violence of many sorts, and raise the moral standard of the whole nation.

4. That by setting Trade and Industry free from all Taxes and other impediments, we shall increase the demand for our manufactures and natural products at home and abroad, and raise the rate of wages throughout the kingdom.

5. That we raise the rents and, consequently, the market price of all the Land and House Property of the kingdom, and remove or greatly reduce the burden of the Poor Rate.

6. That we place this country on the best foundation for preserving the peace of the world.

These are some of the leading results to be confidently looked for from the practical application of the principle here laid down, and which may be described,—in a few words,—to be, setting free from all impositions and other impediments, Agriculture, Trade, Machinery, and Labor;—thereby acting in concurrence with the providential laws, which are constantly approximating “*towards a level which is always rising—in other terms;—Improvement and Equalisation;*”—which Bastiat describes by the single word,—“HARMONY.”

“Such”—he adds—“is the definite result of the arrangements of Providence—of the great laws of nature when they act without impediment, when we regard them as they are in themselves, and apart from any disturbance of their action by error and violence.”

Thus we may see the germ of all the *Social Harmonies* included in these two principles—PROPERTY, LIBERTY; and that all *Social Dissonances* are only the development of these two antagonistic principles—SPOILIATION, OPPRESSION.

In Liberty we have the principle of harmony.

In Oppression we have the principle of dissonance.

It is truly said by Bastiat :—“The struggle of these two powers fills the annals of the human race: and, as the design of Oppression is, to effect an unjust appropriation, it resolves itself into, and is summed up in, Spoliation.

“Man comes into this world bound by the yoke of Want, which is pain.

“He cannot escape from it, but by subjecting himself to the yoke of Labor, which is pain also.

“He has, then, only a choice of pains, and he detests pain.

"This is the reason why he looks around him, and when he sees that his fellow-man has accumulated wealth, he conceives the thought of appropriating it. Hence comes false property, or Spoliation.

"From the day when it first made its appearance in the world, down to the day when it shall have completely disappeared,—if that day ever come,—this element has affected, and will affect, profoundly the whole social mechanism; it will disturb, and to the extent of rendering them no longer recognisable, those laws of social harmony which we have endeavored to discover and describe."

That day, probably, never will come in the present dispensation of this world; but our duty will not have been accomplished until we have made our laws, as far as we can, in conformity with those providential laws which, we may hope, will ultimately regulate the whole social mechanism.

The absolute absence of *evil* through human laws is beyond our hope; but, in the gradual diminution of evil, we may not only hope, but look forward with assured confidence to such a result, when we make our human laws in consonance with the providential laws, which must ever work harmoniously and with infallible power.

But, for this, it is of the utmost importance to have a right understanding of the limits of *human* laws:—to see clearly what is within, and what is without the true limits.

It is clearly within the true limits, as it is the especial duty of the State, to watch over and direct all that concerns the common welfare.

Seeing the deplorable dissensions of the theologians of all past ages, this seems to make evident the necessity of a State Religion; which without absolutely imposing, or interfering with, private creeds, should

regulate all outward observances. Because, as it is the Office of the State to watch over all that concerns the common welfare, so should it watch over the Church, (which most of all concerns the common welfare,) and direct it according to the general wish. But two things perfectly distinct must not here be confounded, namely ;—liberty of observance, and liberty of thought. The latter is independent of all Civil power ; but the former must be subject to it for the sake of the public tranquillity and welfare.

The chief duty of the State, or Government, is to direct all things according to the general wish ; but to interfere as little as possible with anything. It is very doubtful whether Government interference with Education has not, from first to last, done more harm than good.

Government should never found Colleges or Schools for learning ; Establishments for encouraging the Arts and Sciences ; Hospitals, or other Charitable Institutions ; for they serve more to discourage the efforts of individuals to those ends,—more to discourage private charity,—more to oppress than to encourage genius.

Government should *give* only by the free will of the People, and should give only as rewards for public services.

It is not the duty of a Government to administer charity out of funds raised by taxes on the People.

As Burke wisely said—“ To provide for us in our necessities is not in the power of Government. It would be a vain presumption in Statesmen to think they could do it. The people maintain them, and not they the people. It is in the power of Government to prevent much evil ; it can do very little positive good in this, or perhaps in anything else. It is not only so of the State and Statesmen, but of all the classes and

descriptions of the rich—they are the pensioners of the poor, and are maintained by their superfluity. They are under an absolute, hereditary, and indefeasible dependence on those who labor, and are mis-called the poor. The laboring poor are only poor, because they are numerous. Numbers in their nature imply poverty. In a fair distribution among a vast multitude, none can have much. That class of dependent pensioners called the rich, is so extremely small, that if all their throats were cut, and a distribution made of all they consume in a year, it would not give a bit of bread and cheese for a night's supper to these who labor, and who in reality feed both the pensioners and themselves. But the throats of the rich ought not to be cut nor their magazines plundered because in their persons they are trustees for those who labor, and their hoards are the banking-houses of the latter."

Nor is it the duty of a Government to educate the People, or to teach them the Arts and Sciences.

But it is the duty of a Government to allow every individual to teach what he thinks, at his own risk and peril; though not to hold place in Church or State if he teach doctrine in either, contrary to the tenets thereof as declared by Law.

It is the duty of a Government to watch over the welfare of the People, and to encourage, by judicious assistance, all that can contribute to their welfare. Most especially is it the duty of Government so to provide that, all willing laborers may find the means of comfortable subsistence for themselves and families.

This part of Louis Blanc's creed is, undoubtedly, true:—"Wherever the certainty of living by labor does not follow from the very essence of social institutions, there iniquity reigns."

It is a great reproach to Governments when they

require to be taught such a truth as this, and by such a man as this !

Anything which is calculated to lower the self-respect and degrade the character of a People, must tend to the injury of the Nation.

It is an incalculable injury to a People to make them objects of charity, when they are able and willing to provide for themselves and their families by their own industry and skill. Moreover, such a state of things is the highest injustice to the People, and the lowest shame to the Government.

Private charity never can supply the place of the wages of labor.

A providential law mercifully interposes to defeat any such attempt. It is not charity to make any such attempt.

Daniel De Foe saw this, and expressed many sound truths on the subject, in his own forcible way, in his Tract, entitled ;—"Giving Alms no Charity, and Employing the Poor a Grievance to the Nation ;"—published 1704.

Unjust and unwise laws have rendered it impossible to distinguish the true from the false objects of charity. Many of the rich are embittered in their possessions by the sight of the misery around them, and for their own relief, quite as much as for the relief of those whom they would help, they distribute their charity, as it is called, indiscriminately, amongst the deserving, and the undeserving. They are unable to distinguish—nobody can.

Some make work for the purpose of charity. But then the work,—if done at all,—is never well done,—never so well as when done for the wages of labor. It were better to give the money as charity. Some would then be ashamed to take it as such. Work, to be well done, must be paid for as work. Charity should be

given as charity. When the wages of labor are confounded with charity, the independence of the laborer must be destroyed.

This is the effect of our system of filching the taxes out of the laborers' wages;—"a very easy form of plunder;"—vulgarly called '*chousing*;' but, aristocratically speaking, this might very properly be designated,—the '*Oligarchical System*,'—or, the system of making the many pay for the few. This is also called the '*Conservative System*.' We have no very clear understanding of the meaning of the term '*Conservative*,' but we may form a guess about it, from Dr. Newman's description.

"A Conservative, in the political sense of the word, means a man who is at the top of the tree, and knows it, and means never to come down, whatever it may cost him to keep his place there. It means a man who upholds government and society, and the existing state of things,—not because it exists,—not because it is good and desirable,—because it is established,—because it is a benefit to the population,—because it is full of promise for the future,—but, rather, because he himself is well off in consequence of it, and because to take care of number one is his main political principle."

If we would master the ideal of a beneficent and judicious system of Public Finance, as the preliminary to all profitable insight into the defects of any particular system in actual existence, an apter illustration, perhaps, cannot be found, than in those vast and fertile tracts of land in the East, which owe all their fertility to artificial irrigation.

The tanks and reservoirs would represent the capital of a nation; while the numberless rills, hourly varying their channels and directions under the laborer's spade, would give a pleasing image of the dispersion of that

capital through the whole population, by the joint effect of taxation and trade. For taxation itself is a part of commerce, and the Government may be fairly considered as a great manufacturing-house, carrying on in different places, by means of its partners and overseers, the trades of the ship-builder, the clothier, the iron-founder, and the like. As long as a balance is preserved between the receipts and the returns of Government in their amount, quickness, and degree of dispersion ; as long as the due proportion obtains in the sum levied, to the mass in productive circulation ; so long does the wealth and circumstantial prosperity of the nation (its outward prosperity), remain unaffected ; or, rather, they will appear to increase in consequence of the additional *stimulus* given to the circulation itself, by the reproductive action of all large capitals, and through the check which taxation, in its own nature, gives to the indolence of the wealthy, in its continual transfer of property to the industrious and enterprising. If different periods be taken, and if the comparative weight of the taxes at each be calculated, as it ought to be, not by the sum levied on each individual, but by the sum left in his possession, the settlement of the account will be in favor of the national wealth, to the amount of all the additional productive labor sustained or excited by the taxes, during the intervals between their afflux, and their re-absorption.

But, on the other hand, in a direct *ratio* to this increase will be the distress produced by the disturbance of this balance, by the loss of this proportion ; and the operation of the distress will be, at least, equal to the total amount of the difference between the taxes still levied, and the *quantum* of aid withdrawn from individuals by the abandonment of others ; not overlooking the further quantum which the taxes,

that still remain, have ceased to give, by the altered mode of their dispersion. But to this we must add the number of persons raised and reared in consequence of the demand created by the preceding state of things, and now discharged from their occupations : whether the latter belong exclusively to the executive power, as that of soldiers, and the like, or from those in which the laborers for the nation in general are already sufficiently numerous. Both these classes are thrown back on the public, and sent to a table where every seat is pre-occupied. The employment lessens as the number of men to be employed is increased ; and not merely in the same, but from additional causes ; and, from the indirect consequences of those already stated, in a far greater *ratio*. For, it may easily happen that the very same change which had produced this dispersion at home, may, from equivalent causes, have embarrassed the countries in commercial connection with us. At one and the same time, the great customer at home wants less, and our customers abroad are able to buy less.

The conjoint action of these circumstances will furnish, for a mind capable of combining them, a sufficient solution of the melancholy fact. They cannot but occasion much distress, much obstruction, and these again, in their re-action, are sure to be more than doubled by the still greater and universal alarm, and the consequent check of confidence and enterprise which they never fail to produce.

Now, it is a notorious fact that, these causes have all existed to a very extraordinary degree, and worked with united strength, in this country, since the termination of the long war.

It was one among the many anomalies of that war, that it acted, after a few years, as a universal stimulant. We almost monopolised the commerce of the

world. The high wages of our artisans, and the high prices of agricultural produce, intercirculated. Leases, of no unusual length, not seldom enabled the provident and thrifty farmer to purchase the estate he had rented. Everywhere might be seen roads, railways, docks, canals, made, making, and projected; villages swelling into towns, while the metropolis surrounded itself, and became, as it were, set with new cities. Finally, in spite of all the waste and havoc of a twenty years' war, the population of the Empire was increased by more than two millions. The efforts and war expenditure of the nation, and the yearly revenue, were augmented in the same proportion; and to all this must be added the fact that, the war was at last brought to its conclusion by a concentration, or by a spasm of energy, and, consequently, by an anticipation of our resources.

We conquered by compelling reversionary power into alliance with our existing and natural strength. The first intoxication of triumph having passed over, this agony of glory was succeeded, of course, by a general stiffness and relaxation. The antagonistic passions came into play; financial solicitude was blended with constitutional and political jealousies, and both were exacerbated by personal imprudences, the chief injury of which consisted in their own tendency to disgust and alienate the public feeling. And, with all this, the financial errors and prejudices, even of the more educated classes, in short, the general want, or imperfection, of clear views and a scientific insight into the true effects and influences of taxation, and the mode of its operation, became now a real misfortune, and opened an additional source of temporary embarrassment. Retrenchment could no longer proceed by cautious and calculated steps, but was compelled to hurry forward, like one who, cross-

ing the sands at too late an hour, finds himself threatened by the inrush of the tide. Nevertheless, it was a truth, susceptible of little less than mathematical demonstration, that the more, and the more suddenly, the revenue was diminished by the abandonment of the war taxes, the greater would be the disturbance of the balance ; so that the agriculturist, the manufacturer, and the tradesman,—all, in short, but annuitants and fixed stipendiaries,—who, during the war, having paid as five, had fifteen left behind, but shortly had less than ten, after having paid but two and a half. What was the pressure then placed upon the country, when, to all this, is added the operation of the return to cash payments in *pure* coin, of former intrinsic value, so as, in effect, to re-impose the amount of taxes nominally remitted, may be easily understood. And yet, under all this pressure, the prosperity and power of the nation has been increasing during the same period, with an accelerated force unprecedented in any country !

To a combination of many causes must this be attributed, but chiefly to vast resources brought into activity by the energy, labor, and skill of a multitude of enterprising individuals, encouraged and assisted by the timely relaxation of many of those bonds and fetters by which the trade and productive industry of the country had been bound down and restricted. By increasing and cheapening the food of the people, and leaving them more free to labor, and to produce, and thereby to accumulate new capital for further employment, and further enterprise, and thus increasing and extending the wealth and power of the Nation.

If the causes of the many and serious evils, here referred to, have been so far diminished in number, and mitigated in effect, by the adoption in practice of these new and improved principles of legislation, how

great is the encouragement to proceed in the same line of improvement!

The universal practice, consequent on the present system, of enhancing the sale price of every article subject to taxation, to remunerate the dealer for his advance of the amount of the tax in the first instance, calculated not only at the rate of trade profit, but also on the presumption of bad debts, and this additional per-centage repeated at each intermediate stage of its elaboration and distribution, from the grower, or importer, or manufacturer, to the last retailer exclusively, is not one of the least operative evils inflicted on the whole community. Necessary, and, therefore, justifiable, as this plan of reprisal by anticipation may be in the case of each individual dealer, yet taken collectively, and without reference to persons, the system itself which not only authorises, but also renders necessary this sort of nondescript privateering is rather startling to an unfamiliarised conscience; and, by a curious anomaly, these exactions are not promiscuous, only because the letters of marque and reprisal, under this system, grant a free pass to the offending party.

Or, if the law-maxim, *volentibus non fit injuria*, be applicable in this case, it may, perhaps, be described more courteously, as a benefit society of all the careful and honest men in the kingdom, to pay the debts of the dishonest, or improvident. It is mentioned here, however, as one of the inevitable consequences of the present system of laying the taxes on things in common use for the daily necessities of life, and as one of the principal appendages to the twin paramount causes, the present state of the currency, and the national debt, and for the sake of the conjoint results. If we would learn what these results are, we may see them in the multitudes of workmen in the streets of

London without work; in the country, a peasantry sinking into pauperism, step for step with the rise of the farmers' profits and indulgences.

Fluctuation in the wages of labor, alternate privation and excess (not all at the same time, but successively in each), consequent improvidence, and, over all, discontent, and a system of factious confederacy; these form the history of our cities, towns, and country.

On the side of the landlord and his compeers, the presence of the same causes are attested by answerable effects. Great as their effects were on the increase of prices in the necessities of life, they were still greater in all articles of show and luxury. With few exceptions, it became difficult, and at length impracticable, for the gentry of the land, for the possessors of fixed property, to retain the rank of their ancestors, or of their own former establishments, without joining in the general competition for sudden and inordinate gains. The temptation of obtaining more than the legal interest for their principal, became more and more strong with all persons who, neither trading, nor farming, had lived on the interest of their fortunes. It was in this class that the rash and, too frequently, the unprincipled projector found his readiest dupes. The secret history of too many of the joint stock speculations, only in the vicinity of the metropolis, would supply an afflicting, but instructive, comment.

Not that these were results of an increased *momentum* in the spirit of trade, but of the system which restricted trade, and impeded it in its natural channels, by artificial obstructions, thereby forcibly diverting it into unnatural channels, where it soon dried up, leaving only a sandy and desert waste, with little or nothing of a fertilizing deposit; and, so far from extending, checking the commercial spirit of the

nation, and, at the same time, as a necessary consequence, depressing the agricultural.

Many and great have been, and are, the afflicting evils of this country, but so greatly have all these been aggravated by the operation of our revenue laws, reflected in the habits and tendencies of the people, and of the working classes especially, that here, it may be truly said, is the groundwork of our national calamity, and the main predisposing cause of most of our past and present distresses.

If the spirit of commerce were only now set free, she would carry such healing on her wings, that past errors would soon be forgotten, and afflictions would be remembered no more.

But if the wings be shortened and confined by a much longer continuance of the present system of clipping and restraining, the power of rising may be lost for ever, and blessings, in the abundance of Nature, may then come too late to avert calamity ruinous to all. Princely capitals will still be accumulated, but these will be but as telegraphs of coming troubles,—of the return of those times of frequent failure, with all the disgraceful secrets of fraud and folly, of unprincipled vanity in expending, and desperate speculation in retrieving; when bankruptcies spread like a fever, at once contagious and epidemic; when no man's treasure is safe who has adopted the ordinary means of safety, neither the high; nor the humble; when the lord's rents, and the farmer's store, entrusted, perhaps, but as yesterday, are asked after at closed doors!—but, worst of all, in its moral influences, as well as in the cruelty of suffering; when the old laborer's savings, or, as Coleridge expressively, and truly, calls them—"the precious robberies of self-denial from every day's comforts;" when the orphan's funds, the widow's livelihood, the fond con-

fiding sister's humble fortune, are found among the victims to the remorseless mania of dishonest speculation, or the desperate cowardice of embarrassment ; to the drunken stupor of a usurious selfishness which, for a few months' respite, dares incur a debt of guilt and infamy for which the grave itself can plead no statute of limitation.

This is the character which Milton has so philosophically, as well as sublimely, embodied in the Satan of his ' Paradise Lost.'

Alas ! too often has it been embodied in real life. Too often has it given a dark and savage grandeur to the historic page. And, whenever it has appeared, under whatever circumstances of time and country, the same ingredients have gone to its composition ; and it has been identified by the same attributes, so forcibly described by Coleridge as " Hope in which there is no cheerfulness ; steadfastness within, and immoveable resolve, with outward restlessness and whirling activity ; violence with guile ; tenacity with cunning ; and, as the result of all, interminableness of object, with perfect indifference of means."

" But,"—as Coleridge asks,—“ by what means can the lower classes be made to learn their duties, and urged to practise them ? The human race may, perhaps, possess the capability of all excellence, and Truth is omnipotent to a mind already disciplined for its reception ; but, assuredly, the over-worked laborer, skulking into an ale-house, is not likely to exemplify the one, or prove the other. In that barbarous tumult of inimical interests which the present state of society exhibits, *Religion* appears to offer the only means universally *efficient*. The perfectness of future men is, indeed, a benevolent tenet, and may operate on a few visionaries, whose studious habits supply them with employment, and seclude them from temptation. But a

distant prospect which we are never to reach, will seldom quicken our footsteps, however lovely it may appear ; and a blessing, which not ourselves, but *posterity*, are destined to enjoy, will scarcely influence the actions of *any*—still less of the ignorant, the prejudiced, and the selfish.”

“Go preach the Gospel to the poor.” By its simplicity it will meet their comprehension, by its benevolence soften their affections, by its precepts it will direct their conduct, by the vastness of its motives ensure their obedience.

But, the first object of man is to supply his *pressing wants* :—to provide food :—to protect himself amidst the war of the elements. In his savage state no knowledge is valuable to him, but the knowledge connected with his common appetites.

The savage of Avignon regarded not the noise of the multitude in the streets of Paris, but he was roused in a moment by the *cracking* of a *nut*, or the *murmuring* of *water*.

The situation of the poor is perilous : they are, indeed, both “from within and from without *unarmed* to all temptations.” Prudential reasonings will generally be powerless with them ; for the incitements of this world are weak, in proportion as we are wretched. They, too, who live *from hand to mouth* will most frequently become improvident. Possessing no *stock* of happiness, they eagerly seize the gratifications of the moment, and snatch the froth from the wave as it passes by them. Nor is the desolate state of their families a restraining motive, unsoftened as they are by education, and benumbed into selfishness by the torpedo touch of extreme want. Domestic affections depend on association. We love an object if, as often as we see or recollect it, an agreeable sensation arises in our minds. But, alas ! how should he glow with

the charities of father and husband, who, gaining scarcely more than his own necessities demand, must have been accustomed to regard his wife and children, not as the soothers of finished labor, but as rivals for the insufficient meal! In a man so circumstanced, the tyranny of the *present* can be overpowered only by the ten-fold mightiness of the *future*. Religion will cheer his gloom with her promises, and, by habituating his mind to anticipate an infinitely great revolution hereafter, may prepare it even for the sudden reception of a less degree of amelioration in this world.

But, if we would confer this spiritual and mental benefit, we must not neglect the physical and bodily welfare. We must not make the free gift of the spiritual remedy an excuse for withholding what is due to the bodily maintenance and comfort.

If the revenue laws were but half as productive of money to the State, as they are of guilt and wretchedness to the people, there might then, perhaps, be the miserable ground of sad necessity for their further continuance. But, if this mode of raising revenue be attended with greater loss in actual money, than the whole amount raised, and if all the consequent guilt and wretchedness to the people be an addition to this loss, then, indeed, is this system an absurdity, as well as a shame and disgrace to the nation which continues it; and it is a mockery to tell people who are thus deprived of all worldly comforts by unjust laws, that they have the comforts of religion.

The happiness of mankind is the *end* of virtue, and truth is the knowledge of the *means*; which he will never seriously attempt to discover who has not habitually interested himself in the welfare of others. The searcher after truth must love and be beloved; for general benevolence is begotten and rendered

permanent by social and domestic affections. Let us beware of that proud philosophy which affects to inculcate philanthropy, while it denounces every home-born feeling by which it is produced and nurtured. The paternal and filial duties discipline the heart and prepare it for the love of all mankind. The intensity of private attachments encourages, not prevents, universal benevolence. The nearer we approach to the Sun, the more intense his heat ; yet what corner of the system does he not cheer and vivify ?

We cannot inculcate on the minds of each other too often, or with too great earnestness, the necessity of cultivating benevolent affections. We should be cautious how we indulge the feelings of even virtuous indignation. We should remember that vice is the effect of error, and the offspring of surrounding circumstances ; the object, therefore, of condolence, not of anger. But to make it spread from the understanding to the affections, to call it into action not only in the great exertions of patriotism, but in the daily and hourly occurrences of social life, requires the most watchful attentions of the most energetic mind. It is not enough that we have once swallowed these truths—we must feed on them, as insects on a leaf, till the whole heart be colored by its qualities, and show its food in every the minutest fibre.

But what have we done, and what are we doing ?

We have made our laws, and regulated our lives, in the knowledge of evil, instead of in the wisdom of love, and truth, and justice. We have turned away from Divine guidance, to follow our own theories, formed on our own narrow and selfish views. We have kept out of view all that is most beautiful, and have held fast to that which is most crooked and deformed. We have neglected to read, and to learn, even from the Book of Nature spread open before us.

The bud which never opens to the sun and to the rain, never flourishes as a flower. Nature has provided the cup to receive and to hold the fertilising dew-drop. Has Nature been less provident to the human being than to the flower of the field? Nature is as impartial, as bountiful. It is man alone who has prevented the sun from shining, and the rain from falling equally on all. It is man alone who prevents the bud from opening to the sun and to the rain, and prevents the cup from receiving the fertilising dew-drop; and the flower of human life withered in the bud, is man's work alone!

This state of things cannot go on for ever. Nature will work the change for us for the worse, if we do not ourselves make it work for the better.

If the People would unite and take counsel together, and with moral fortitude and national faith,—with patriotic loyalty and with universal benevolence,—would make their appeal to the Government of the Country, for the removal of these most obnoxious and injurious revenue laws, and the substitution of a more open, just, and simple system for the due provision of the proper means, and maintenance of the necessary powers of the State; if the land-owners would consider themselves as holding offices of trust, with duties to be performed in the sight of God and their Country, and would concern themselves in the moral training as well as in the education of their natural dependents; and if the manufacturers and traders, and all the other working classes, would concern themselves with their own separate and peculiar duties, and learn to appreciate the honor due to their respective callings by the faithful fulfilment of their duties,—then may the People of all classes rely upon the promise of the King of Kings, by the mouth of His Prophet:—

“Blessed are ye that sow beside all waters.”

Readers who have in their recollection the writings of that great Moral Philosopher, Coleridge, will recognise in some of the foregoing observations his thoughts, and expressed often in his own words, when these could be properly applied, though sometimes in a manner more or less different from their original application. For, however abounding in high thoughts was that highly gifted man, and however rich in varied and expressive language;—however many he may have helped to make distinguished writers on Political Economy, he will himself, in these days, hardly be regarded as an authority on that subject. But honor to his memory, who taught many of the best and greatest men of his day to think and to reflect, and whose name,—as long as men are able to appreciate the noblest qualities of the human mind when directed to the highest aim,—will be held in grateful remembrance by his Countrymen !

There is in the character of the British People good ground to hope that they will, by timely reforms, prepare for the changes which time must, of necessity, bring, and that time is, probably much nearer than many suppose.

By placing the Government of the Country on the basis of sound principles, those changes we may confidently hope, will raise the nation to a higher position of prosperity and power than it has ever yet reached.

The basis will then be a much nearer approach, than it has ever yet been, to truth and justice, and then we may hope to see carried out into practice, more nearly than we have ever yet seen, the Divine command, "DO UNTO OTHERS AS YOU WOULD THEY SHOULD DO UNTO YOU."

The People will then be found to be the best supporters of the Government, by a new and willing obedience, which will then be yielded from a sense of

self-interest, as well as duty, and self-respect. Of this we may be sure ;—"that whatever will lighten the burden of existence, and prevent the necessity for the now never ceasing struggle for mere life, will give both mind and heart breathing time to contemplate and yearn after the real life to come. He who exists only to toil, must be absorbed in the present. For him the future can have but little charm, or little terror. It is ordained that man shall live by the sweat of his brow, not that he shall die under it."*

With all the mighty preparations for great changes now passing before our eyes, it were folly to suppose that men's misgovernment will much longer be permitted to counteract the intended good.

When it is found, as it surely will be, that the only true and lasting interests of mankind are one and the same, the human races will gradually merge into each other, and though each nation may still preserve its own nationality and language, yet these will no longer be barriers for separation :—a common interest will bind all together, as one Nation, and one People, for their common good, and then the rulers and the ruled, masters and servants, of every order and degree, will learn that their own welfare is so intimately bound up with, as to be, in a great measure, dependent upon, the welfare of those who are placed above, or under, or around them. Then mankind will begin to see, more

* These words, in inverted commas, were written in Bethlehem Hospital, by a Gentleman, and Scholar, who has been confined there for some years, as a Criminal lunatic, for depriving his wife of life in a paroxysm of madness. He was devotedly attached to her, and destroyed her life under the insane terror of a greater evil befalling her.

The writer, who has on several occasions seen this Gentleman in his present confinement, believes him to have been long ago perfectly restored to reason, but he is still confined as a Criminal Lunatic at Broadmoor.

clearly than they have ever seen before, the folly of their own selfishness. Then will they begin to learn, and to appreciate, the blessings of freedom in every form, and to distinguish between lawful liberty, and unlawful licence. Then, though we know that the poor will always be with us, destitution to those who are able and willing to work, will be unknown in the land; for, there will then be a more equal distribution of the good things of this world, so bountifully provided, and so mercifully intended, for the use of all.—“Sufficient unto the day is the evil thereof,”—was never meant to recommend waiting for the day of evil, if it might be averted. There is the calmness of energy, as well as the quiescence of idiotcy. There is danger in change, but there is also safety in change. The rising tide may overwhelm the unwary wanderer on the sea-shore, but the ebbing tide may wreck the ship upon the sunken rock.

All things are for ever changing; but change is not necessarily innovation. On any great change proposed, we are all accustomed to hear the cry—“No Innovation!”

To say that new things are bad, is to say that all old things were bad at the commencement; for, of all old things ever seen or heard of, there is not one that was not once new. Whatever is now established was once innovation. The first inventor of Juries must, in his day, have been considered a pestilent fellow. Many must remember that description once so frequently applied to Rowland Hill for his invention of the Penny Postage Stamp. Nearly all the inventions of men of genius once filled the world with alarm, and were considered the great precursors of ruin and dissolution.

But this remark is nothing new. More than half a century ago, — Sydney Smith wittily wrote:—“No

pews, no parish clerks, no vaccination, no turnpikes, no reading, no writing, no popery ! The fool sayeth in his heart, and crieth with his mouth, — ‘ I will have nothing new ! ’ — There is not one single source of happiness, against which this class has not uttered the most gloomy predictions. Turnpike roads, navigable canals, railways, hops, tobacco, the reformation, the revolution — there are always a set of worthy and moderately gifted men, who bawl out death and ruin upon every valuable change which the varying aspect of human affairs absolutely and imperiously requires. There is in the words of these feeble friends to virtue and improvement an imaginary period for the removal of evils, which it would, certainly, be worth while to wait for, if there were the smallest chance of its ever arriving — a period of unexampled peace and prosperity, when a patriotic sovereign and an enlightened people shall unite their ardent efforts for the amelioration of human affairs ! But the history of human nature is so contrary to all this, that almost all improvements are made after the bitterest resistance, and in the midst of tumults and civil violence — the worst period at which they can be made, — compared to which any period is eligible, and should be seised hold of by the friends of salutary reform. What human plan, device or invention, 300 years old, does not require alteration ? If a man dressed now as men dressed 300 years ago, the dogs in the street would tear him to pieces. If he lived in the houses of 300 years ago, unaltered and uncorrected, he would die of fever or rheumatism in a week. If he listened to the sermons of 300 years ago, he would perish with sadness and fatigue ; and when a man cannot make a coat or a cheese for 100 years together, without making them better, can it be said that laws made in those days of ignorance, and framed in the fury of

religious hatred, need no revision, and are capable of no amendments ?

“ A hundred years, to be sure, is a very little time for the duration of a national error ; and it is far from reasonable to look for its decay at so short a date. Whoever, speaking of human affairs, talks of unalterable laws, may be set down as an unalterable fool. But, in the affairs of State, the folly of deferring the reform of a crying evil, is like the case of a man who has a wound in his great toe, and a perilous fever at the same time ; and he refuses to take the medicines for the fever, because he thinks it bad for his toe ! The mournful folly stricken blockhead forgets that his toe cannot survive him—that if he die, there can be no life apart from him : yet he lingers fondly over this last part of his body, soothing it with little plaisters and fomentations, while the neglected fever rages in his entrails, and burns away his whole life. To lie by, in timid and ignorant silence, and to neglect a regular and vigorous appeal to public opinion, is to give up all chance of doing good, and to abandon the only means by which the few are prevented from ruining the many.” These are some of the wise and witty sayings of Sydney Smith, upwards of fifty years ago.

There was in that man, and some few others of our own past time, a strength and a truth that made one feel as if they were standing between two worlds ; amid the ruins of an older age ; upon the threshold of a new one.

The same thought has been somewhere expressed by the Rev. Charles Kingsley, something in this way—“ Men feel that they are no longer in the beginning of the end, but in the end itself, and that this long prologue to the reconstruction of rotten Europe is played out at last, and the drama itself begun.”

Coleridge somewhere declares that the new can only assume a living form, by growing mechanically out of old institutions : and the two well-known lines of Keats declare :—

“ These things too are eternal :

A thing of beauty is a joy for ever.”

Though the effects of the change here advocated would, undoubtedly, be very great, yet the change itself would be, simply, a return to a very old practice, founded on a just and constitutional principle.

It is, therefore, not like an experiment to be tried in ignorance of the result. The result is already well known from experience ; and, what is even still more remarkable, the principle, in theory, is universally approved of. But, though admitted to be true in principle, it is said, it would not now work well in practice. But,—Who says so ?—And, why not ? Who comes forward with definite objections, open to definite answers ? Nobody. And yet, very eminent men have come forward to maintain this principle, and to recommend it in practice.

Such an advocate as M. Turgot,—so eminent as a Statesman, a Financier, and a Political Economist,—might well suffice for all.

And our own Adam Smith,—who may be said to have been his pupil,—has confirmed him on all material points. But to us—in these days—what are all that ever wrote on this subject, in comparison with Bastiat ?

It is strange that, with such Masters, we have made so little advance in carrying out in practice the principles of good government.

It is not pretended that, the Scheme of Taxation here presented is complete in all details. It purports only to be a simple Outline of a Practical Scheme, in conformity with sound principles, which always have been, and always must be, true ; and which must,

therefore, be equally applicable to all times, and to all nations ; but, subject always to changes in details according to times and circumstances.

The settlement of the details is the peculiar province of the Government which enjoys the confidence of the People.

But not so of the principle.

The settlement of that question is the peculiar province of the People ; and to carry out in practice, what they have settled in principle, is the duty of the Government.

It is weakness to wait for the Government in anything which concerns principle. What great principle that has ever been established in this country,—or, perhaps, in any other,—originated with the Government ? Has any great principle, for the benefit of the people, ever been established that has not been, at first, opposed by the Government ?

But, as before stated, the chief duty of the State, or Government, is to direct all things according to the general wish, and to interfere as little as possible with anything.

The proper purpose or end of a political government, or the purpose or end for which it ought to exist, is the greatest possible advancement of human happiness. If, then, the welfare of mankind be the proper object of a Government, it commonly ought to consult directly and particularly the welfare of the particular community committed to its rule.

It is impossible to show that the general and particular ends conflict. Universally the ends are perfectly consistent, or, rather are inseparably connected. An enlightened regard for the common happiness of nations, implies an enlightened and universal patriotism.

If a people were adequately instructed or enlightened,

the habitual obedience to its government which was rendered by the majority, would arise exclusively from reasons founded on supposed general benefit. Their conviction or opinion to this effect would be their motive to obey.

If their conviction or opinion were to an opposite conclusion, a fear that the evil of resistance might be greater than the evil of obedience, would be their inducement to submit.

But they would not persist in their obedience to a government which they deemed imperfect, if they thought that a better government might probably be got by resistance, and that the probable good of the change outweighed its probable mischief.

Since the people of all nations are inadequately instructed or enlightened, the obedience to its government which is rendered by the majority, is partly the consequence of habit, and partly the consequence of prejudices: meaning by 'prejudices,' opinions and sentiments which have no foundation whatever in the principle of general utility, or benefit.

But though that habitual obedience be partly the consequence of custom, or partly the consequence of prejudices, still it partly arises from a reason founded on the principle of utility. It partly arises from a preference, by the majority, of one government to another government, or of any government to anarchy. They detest the established government, but they detest another government more; and if they would change it, for one of their own selecting, by resorting to open resistance, they must attain their object through an intervening anarchy, which they detest still more.

The only general cause of the *permanence* of political governments, and of the *origin* of political governments, are very nearly or exactly alike. Though every government has arisen in part from specific or par-

ticular causes, almost every government must have risen in part from the general cause before noticed.

The permanence and origin of every government are owing to the people's *consent*; that is to say, every government continues through the *consent* of the people, or the majority of the political community: and every government arises through the *consent* of the people, or the majority of the natural society from which the political is formed.

Now the permanence of every government depends on the habitual obedience which it receives from the majority of the community. For if the bulk of the community were fully determined to destroy it, and to brave and endure the evils through which they must pass to their object, the power of the government itself with the power of the minority attached to it, would scarcely suffice to preserve it, or even to retard its subversion. But all obedience is *voluntary* or *free*, or every party who obeys *consents* to obey. In other words, every party who obeys *wills* the obedience which he renders, or is determined to render by some *motive* or another.

Since, then, a government continues through the obedience of the people, and since the obedience of the people is voluntary or free, every government continues through the *consent* of the people, or the bulk of the political society.

The position, therefore, "that every government continues through the people's *consent*," merely amounts to this: That, in every society political and independent, the people are determined by motives of some description or another, to obey their government habitually: and that, if the bulk of the community ceased to obey it habitually, the government would cease to exist.

But that the majority of every community approve

of the established government, or prefer it to every government which could be substituted for it; and that they consent to its continuance, or pay it habitual obedience by reason of that approbation, or by reason of that their preference;—as thus understood,—the position is ridiculously false: the habitual obedience of the people, in most or many communities, arising wholly or partly from the fear of the probable evils which they might suffer by resistance.

With this meaning, the position amounts to this: That, if the bulk of a community dislike the established government, the government *ought* not to continue: or, the government therefore is bad, and the general good of the community requires its abolition. And, if every actual society were adequately instructed or enlightened, the position, as thus understood, would approach nearly to the truth.

But, in every actual society, the People are uninstructed in sound political science; and pains have been taken by the government, or by the classes that influence the government, to exclude the bulk of the community from sound political knowledge; or, what is the same thing, to prevent them from acquiring it, by keeping them in a low and degraded position, and thus to perpetuate or prolong the prejudices which weaken and distort their understandings.

Every society, therefore, is inadequately instructed or enlightened: And, therefore, the love or hate of the people towards their established government would scarcely beget a presumption that the government was good or bad. An ignorant people may regard their established government, though it totally disregards their clearest rights, and most essential interests. So an ignorant people may disregard their established government, however much and wisely it labors for their general welfare. This melancholy truth was

strikingly exemplified in the dislike of the French people to the ministry of Turgot. They stupidly thwarted the measures of their wisest and best friend, and made common cause with his and their worst enemies. They led to their own destruction.

But if the People may lead to their own destruction, they may, by pursuing an opposite course, lead to their own great good. Such a course would be by preparing themselves for the reception of sound political wisdom, and having attained to this, the expression,—“that every government arises and is maintained through the people’s *consent*,” would carry with it a great deal more meaning than it does now. It would then very soon be discovered, that no government could arise and be maintained, which did not first consult the People’s true welfare.

It is not necessary, for the present purpose, to carry these views further. The intelligent reader will hardly fail to understand what is here meant to be conveyed; though some weak minds will, no doubt, imagine evil which is neither expressed, nor intended. But those readers who wish to extend their inquiries into this important subject should make a careful study of it in that profound and valuable Work of the late Mr. John Austin, entitled—“The Province of Jurisprudence Determined.”

Now, let us take a parting glance at this “Practical Scheme,” which some would defer till approved of by the Government; and many more would defer for ever; and about which the People, whom it most concerns, yet know little or nothing.

It will be seen by readers who have arrived thus far, that the main design, and merit, (if any,) of this Scheme is,—a just and equal distribution of the State burden upon the realised property of the kingdom; and an equal contribution by all householders,—on a

limited scale in proportion to the scale of their houses,—in return for the protection extended to them by the State, its laws and regulations, for the preservation of the rights of person and property.

This latter contribution might, perhaps, have been more equally levied by a uniform Capitation Tax. But a Poll Tax being almost universally objected to, must be regarded as impracticable; and a consequence of this,—namely, that Lodgers escape the contribution,—must be regarded as inevitable. But this seems to be of little consequence: at any rate, it is a matter of detail only, involving no principle. Of the few who will thus escape, the chief part will be of the poorest; though some will be of the richest, but the injury to any, through this exemption, will be so small as to be scarcely appreciable; and if the just and constitutional privilege proposed to be attached to the position of the householder, be adopted, it may, with many, operate as a laudable and beneficial inducement to greater industry and prudence, and thus compensate largely for the actual or supposed injury from the exemption.

With regard to the principle, put forward by some Writers as the basis of any plan of taxation,—that a man should pay to the State in proportion to the benefit which he derives from it;—this seems to be one of those Utilitarian theories which it must be impossible ever to carry out in practice. If the benefit be the protection of life and property, as usually stated, these services seem to admit of no precise and uniform measure of valuation. To say that the service rendered in the protection of property varies with the value of the property, is manifestly an unfounded assumption. It seems to be, and certainly ought to be, more nearly true to say that the State yields precisely the same protection to every man in it; and if so, it would seem

to follow that the State should require an equal sacrifice from every man in it. Such equality, we say, is obtained, not by a contribution of the same sum, but of the same share of his realised property from every tax-payer.

It is manifestly one of the many absurd inconsistencies of the Income Tax, that it discourages the accumulation of capital, or savings, by taxing the income twice over. Thus,—if a person having an income of £1000 a year, save £500, and spend £500, he pays the tax on the £1000, and the £500 saved he invests, *minus* the tax. But he pays the income tax again on the amount invested. The produce is thus *doubly* reduced; in the first place by a reduction of the capital, and in the second place by a tax upon the returns. If there had been no income tax, he would not only have escaped the income tax on the new revenue, but the new revenue would have been greater by the amount deducted for the tax, and, therefore, it is said, he has been taxed twice for the same thing. Thus, every person who saves out of his income, and invests his saving, and pays income tax on the returns, pays the tax twice on his saving. He cannot both spend the income and save it; but he is taxed as if he did both; he is taxed on it, in the first instance, as if he had spent it, and he is taxed again on the produce which he does spend. He is taxed as if he used it for both purposes, but he can use it only for one, though he may use it for either.

This is a glaring injustice, and an egregious absurdity; and it must be opposed to public policy too, because the portion which is taxed twice is just the portion employed as public policy would encourage its employment. It is liable to the same objection, in some degree, as that which applies to a graduated property tax, the great injustice of which is that, by

sparing the prodigal, and taxing the saving, it is a punishment for economy, and a reward for extravagance. So is the present income tax; since, whoever saves part of his income, pays on that part double the tax he would have paid if he had spent it.

Mr. J. S. Mill concurs in this view, and such is the substance of his evidence on this point before Mr. Hubbard's Committee on the Income Tax. [No. 3578 to 3581.]

But this is only one of the many ways of stating the objections to an Income Tax, and it is obvious that this injustice is one of the many evils incident to an Income Tax, which it is impossible to remove, without letting in other and, perhaps, greater evils.

Mr. J. S. Mill thinks that an Income Tax, in its practical incidence, ought to fall only on expenditure. [No. 3584.]

But he goes farther, and says:—"I think that every tax, in so far as it is levied upon anything but expenditure, does sin against first principles."

This seems to bring all our existing taxes into a sinful state, nor is it easy to see what tax could be imposed which would not sin against first principles, whatever those principles may be.

But, great as this authority is considered,—yet, until Mr. Mill show us how to levy an Income Tax, or any other tax, without committing this sin, we must continue to regard his suggestion as a Laputan, or Utopian, idea.

Bad as the Income Tax is, it is not easy, if possible, materially to amend it. This the would-be reformers of the Income Tax have already experienced. But, still, Mr. Mill's illustration of injustice and absurdity, in the case before given, is not quite so unjust or absurd as he would make it appear to be. It is both unjust and absurd, but not so much so on his ground

of '*twice taxed*,' as on the ground that, *as income* it ought never to have been taxed at all. If an Income Tax is to be maintained,—and, we say, it never ought to be,—it must be admitted that, income must be taxed: and if a portion of that income be saved, and thereby be converted into capital producing income, by the same reasoning *that* income must be taxed also. Such a tax may properly be called an Income and Property Tax; but, whatever called, still Income must be taxed, and that is just what is taxed. That portion which is said to be taxed twice over, is not taxed twice over as '*the same thing*;' for, before the second tax is levied, that which was income, has become capital, distinguished from income; and the second tax is taken upon the produce, which then is income. This is an injustice and absurdity, and it is also impolitic, but it is not inconsistent. It would be inconsistent if it were as Mr. Mill, and others, would have it. But how to make it work as they would have it, they do not tell.

Now, in the scheme of taxation here presented this difficulty is avoided. It is said, and though it has been often answered, many will go on saying the same thing,—that a greater difficulty and a much stronger objection here arises, in the large number of persons of ample means who will avoid all taxation. But we maintain that, it is much less injurious to the State that they should escape all taxation, than that others should be unjustly and injuriously taxed; and we admit that we do not know how to tax them without committing greater injustice and injury to the State and to individuals. We maintain that the injustice and injury, if any, can be only on the supposition that, the escape from taxation of those who do escape, will impose a heavier taxation on those who pay; but we say that, this will be so small in amount

as to be inappreciable; and that by imposing a tax on those who ought not to be taxed; or, who cannot be taxed consistently with the principles here laid down, much greater loss and injury will thereby be inflicted on the State, and on all the individuals in it.

This position we have endeavored to establish, and, we think, we have established, in these pages.

It has been urged as a great objection to this scheme, that it imposes upon Land too large a portion of the State burden, considering the heavy local burdens already supported by land.

This objection, though often answered in these pages, will, probably, continue to be urged by many land-owners. But what if the charge be true?

As Turgot saw, in his time, and said:—"The earth was ever the first and the only source of all riches: it is that which has afforded the first fund for advances, anterior to all cultivation."

Again:—"The person who invests his money in land let to a solvent tenant, procures himself a revenue which gives him very little trouble in receiving, and which he may dispose of in the most agreeable manner, by indulging all his inclinations. There is a greater advantage in the purchase of this species of property, than of any other, since the possession of it is more guarded against accidents. We must, therefore, purchase a revenue in land at a higher price, and must content ourselves with a less revenue for an equal capital."

Again:—"He who lends his money on interest, enjoys it still more peaceably and freely than the possessor of land, but the insolvency of his debtor may endanger the loss of his capital. He will not, therefore, content himself with an interest equal to the revenue of the land which he could buy with an equal capital. The interest of money lent, must consequently

be larger than the revenue of an estate purchased with the same capital ; for if the proprietor could find an estate to purchase of an equal income, he would prefer that."

Again :—" By a like reason, money employed in agriculture, in manufactures, or in commerce, ought to produce a more considerable profit than the revenue of the same capital employed in the purchase of lands, or the interest of money on loan : for these undertakings, besides the capital advanced, require much care and labor, and if they were not more lucrative, it would be much better to secure an equal revenue, which might be enjoyed without labor. It is necessary then, that besides the interest of the capital, the undertaker should draw every year a profit to recompense him for his care, his labor, his talents, the risk he runs, and to replace the wear and tear of that portion of his capital which he is obliged to invest in effects capable of receiving injury, and exposed to all kinds of accidents."

Again :—" The different uses of the capitals produce very unequal profits ; but this inequality does not prevent them from having a reciprocal influence on each other, nor from establishing a species of equilibrium among themselves, like that between two liquors of unequal gravity, and which communicate with each other by means of a reversed siphon, the two branches of which they fill ; there can be no height to which the one can rise or fall, but the liquor in the other branch will be affected in the same manner."

Again :—" Real estates are equivalent to any capital equal to their annual revenue, multiplied by the current rate at which lands are sold. Thus, if we add the revenue of all lands, viz. the clear revenue they render to the proprietor, and to all those that share in the property, as the lord that levies a rent, the curate that levies the tythe, the sovereign that levies the tax ; if

we should add all these sums, and multiply them by the rate at which lands are sold, we should have the sum of all the wealth of a nation in real estates. To have the whole of a nation's wealth, the moveable riches ought to be joined, which consist in the sum of capitals converted into enterprises of culture, industry, and commerce, which is never lost; as all advances, in any kind of undertaking, must unceasingly return to the undertaker, to be unceasingly converted into enterprises, which without that could not be continued. It would be a gross mistake to confound the immense mass of moveable riches with the mass of money that exists in a State; the latter is a small object in comparison with the other. To convince one's self of this, we need only remember the immense quantity of beasts, utensils, and seed, which constitute the advances of agriculture; the materials, tools, moveables, and merchandises of every kind, that fill up the work-houses, shops, and warehouses of all manufacturers, of all merchants, and of all traders, and it will be plain, that in the totality of riches either real or moveable of a nation, the specie makes but an inconsiderable part: but all riches and money being continually exchangeable, they all represent money, and money represents them all."

Again:—"We must not include in the calculation of the riches of a nation the sum of lent capitals; for the capitals could only be lent either to proprietors of lands, or to undertakers to enhance their value in their enterprises, since there are but these two kinds of people that can answer for a capital, and discharge the interest: a sum of money lent to people that have neither estate nor industry, would be a dead capital, and not an active one. If the owner of land of £400,000 borrow £100,000, his land is charged with a rent that diminishes his revenue by that sum. If he

should sell it ; out of the £400,000 he would receive, £100,000 are the property of the creditor. By these means the capital of the lender would always form, in the calculation of existing riches, a double estimate. The land is always worth £400,000, when the proprietor borrows £100,000 that does not make £500,000, it only follows, that in the £400,000, one hundred thousand belongs to the lender, and that there remains no more than £300,000 to the borrower.

“ The same double estimate would have place in the calculation, if we should comprehend in the total calculation of capitals, the money lent to an undertaker to be employed in advance for his undertaking ; it only results that that sum, and the part of the profits which represents the interest, belong to the lender. Let a merchant employ £10,000 of his property in his trade, and engross the whole profit, or let him have those £10,000 borrowed of another, to whom he pays the interest, and is satisfied with the overplus of profit, and the salary of his industry, it still makes only £10,000.

“ But if we cannot include, without making a double estimate in the calculation of national riches, the capital of the money lent on interest, we ought to call in the other kinds of moveables, which, though originally forming an object of expense, and not carrying any profit, become, however, by their durability, a true capital, that constantly increases ; and which, as it may occasionally be exchanged for money, is as if it were a stock in store, which may enter into commerce and make good, when necessary, the loss of other capitals. Such are the moveables of every kind ; jewels, plate, paintings, statues, ready money shut up in chests by misers ; all those matters have a value, and the sum of all these values may make a considerable object among wealthy nations. Yet, be it considerable or not, it

must always be added to the price of real estates, and to that of circulating advances in enterprises of every denomination, in order to form the total sum of the riches of a nation. As for the rest, it is superfluous to say, though it is easy to be defined, as we have just done, in what consists the totality of the riches of a nation; it is probably impossible to discover to how much they amount, unless some rule be found out to fix the proportion of the total commerce of a nation, with the revenue of its land; a feasible thing, but which has not been executed as yet in such a manner as to dispel all doubts."

These extracts, translated from the French of Turgot, are not here introduced as containing anything new, but as confirming, by the authority of that eminent man, what many may consider new and unsupported by any authority in these pages. It is submitted that these extracts fully support the main principle of this Practical Scheme.

It is manifest that, if the interest of money lent be taken on the revenue of lands, or on the profits of enterprises of culture, industry and commerce, as here shown, there can exist no revenue strictly disposable in a State, but the clear produce of land. If this be so, and it is impossible successfully to dispute it, it must follow, as a necessary consequence, that the more *directly* the clear produce of lands is taken by the State, for the purposes of State revenue, the better it must be for the Nation, and for all individuals composing the nation, provided that what is so taken, be taken in equal proportion from the same class.

It is here demonstrated that, what the other classes of society receive is merely the salaries and profits paid, either by the proprietor upon his revenue, or by the agents of the productive class, on the part des-

tined to their wants, and which they are obliged to purchase of the industrious class. Whether these profits be now distributed in wages to the workmen, in profits to undertakers, or in interest of advances, they do not change the nature, or augment the sum of the revenue produced by the productive class over and above the price of their labor, in which the industrious class does not participate, but as far as the price of their labor extends.

Hence it follows that, there is no revenue but the clear produce of land, and that all other profit is paid; either by that revenue, or makes part of the expenditure that serves to produce the revenue.

Such was the correct view of Turgot, and if there be anything new in this, it is in the discovery of the means of forming a Practical Scheme of Taxation in perfect consistency with these sound conclusions.

In this view of the subject, it may also be seen, how very futile, if not delusive, are all attempts to sum up the property of a nation; and if made, with tolerable accuracy, by any imaginable means, how very transient must be the approach to accuracy, and how very useless, even if attained.

Nothing can be more absurd than all the attempts of this kind which have yet been made, the only value being to show the utter worthlessness of the opinions of all those who have made such pretensions, on every thing in relation to the subject.

This view alone seems to be a complete answer to the objection that the proposed Scheme imposes upon Land a larger portion than it ought to bear of the State burden.

But it will, probably, be urged by many as an objection to this Scheme, that it too much favors Land and Houses.

Others will say,—as many do say,—under cover of a

more vague and sweeping objection, that this Scheme proceeds on no principle, but that of *confiscating* wealth.

It will be very easy to maintain all or any of these objections with specious argument.

But here the truth lies in a well deeper than such short-sighted reasoners can see to the bottom of. And yet it is not very deep.

It is quite true that by this Scheme, a larger tax will be imposed on Land and Houses than is now imposed. But there will be a greater compensation then, than there is now ; and the real question is,—what will be the balance ?

This has been already answered, by showing the great relief from other taxes ; and the inevitable tendency of the whole measure to raise the rents, and consequently to uplift the market price of Land and Houses.

It is not necessary here to go over again all the grounds which lead to these conclusions.

There is, perhaps, something more,—if more can be set against nothing,—in the objection,—that Land and Houses will be too much favored.

It is quite true that, by this Scheme, Schedule B. will be abolished, and that the Tenant-Farmer will no longer be taxed *directly* for his Farm.

Why should he be taxed ?

The Farm does not belong to him, as his property. He only rents it. The Owner has paid the tax for it.

Why should the same thing be taxed twice ?

But,—why not tax yearly crops ?

The answer has been already given :—to tax yearly crops would be to tax the profits of trade not realised, and the wages of labor.

But,—why not tax food in store ?

The answer has been already given :—a tax between the food in store, and the hunger that craves it, is bad.

But,—why not tax farm-stock ?

The answer has been already given. It has cost money and labor, and has yet produced no profit.

It is bad enough that capital and labor should be taxed *after* it has brought a man money. It would be far worse if it should be taxed *before* it should be remunerative.

But, why tax land, which is property, and not tax agricultural implements, which are property ?

The answer has been already given :—the income from the land is not from the owner's own labor : that from tools wielded by a man's own hands is so.

Why not tax house-gear ?

The answer has been already given :—a tax between the hand and its utensil, is bad.

Why not tax unsold goods made or bought for sale ?

The answer has been already given :—a tax on what is only a loss, as long as it is unsold, is bad.

And so forth, as already given, under the head :—
“ Why not tax Ships ? ”

But would the Tenant-Farmer get off scot free ? No.

He would escape all the worry and vexation of making his return under Schedule B., but he would pay his occupation tax in increased rent, and his landlord would pay the whole tax direct in one sum. Thus the Landlord would be a gainer in the risk of loss saved ; and the Tenant-Farmer would be a gainer, in all the trouble saved ; and the State would be a gainer, in the expense of collection saved.

Another gain would be in the removal of the absurd distinction in Schedule B. between $2\frac{1}{2}d.$ in England, and $1\frac{3}{4}d.$ in Scotland and Ireland.

This seems to be a true statement, as far as it goes, of the case as it would be, between the Landlord and the Tenant-Farmer.

But the gain to the Public from this arrangement, as

a material part of the whole scheme, would be incalculably great, if the views presented in these pages be not altogether unfounded.

The other objection; namely,—that this Scheme proceeds on no principle but that of confiscating wealth;—has been already answered, and seems to be undeserving of any further notice.

There will, no doubt, be many other objections which have not been here anticipated and answered.

But these, it is expected, will be more in matters of detail, than of principle; and it is not pretended that, in some details modifications may not be improvements, particularly in the valuations, assessments, and such like details. For instance,—Fines, representing the accumulated Rent of property;—perhaps, these should not be taxed where the annual value of the proceeds of that land has been already taxed. But clearly, the fewer the cases of exception to the general principle the better; and the fewer the exemptions from the tax the better.

In the Income Tax, the questions of exception for exemption have been very numerous, and have occasioned great diversity of opinion; but experience has proved the expediency of reducing these to the lowest limit, and thereby reducing them to the smallest number. Many think that the most effectual, and therefore the most expedient way would be to allow no exemptions. The principle of regulating the tax by an equal per-centage, seems to remove occasion for any exemption, where the amount of the tax would be more than the cost of collecting it. This principle has been kept in view in the present Scheme.

The Valuation of all the Land and Houses of the Kingdom, some think would be a great difficulty. But this would be no difficulty at all; or, if any, would be easily surmounted, and at an expense very trifling

in comparison with the magnitude and importance of the object.

A complete Survey and Valuation of the Land and Houses in England and Wales was made many years ago for the purpose of the Tithe Commutation. The Ordnance Survey, on a large scale, has since been completed; and a Government Survey, on a still larger scale, is far advanced.

The Survey of Scotland and Ireland is completed on a much larger scale,—so large, indeed, as to show almost every House, the boundaries of every Estate, and even the divisions of the fields, and enclosures.

This part of the work is, in fact, nearly done. The valuations, of course, must be ever changing. But when the whole work is completed, as far as it ever can be completed, what a valuable State Record will such a Survey and Valuation be!

How easily, from time to time, revised and corrected!

And, what a standard this would be for levying all the State and Local Taxes at once, under the same Assessment, but, of course, at different rates! What a saving of expense in collection! And, under proper management, what a saving of loss from frauds!

So much for the objection as regards the Survey or Valuation.

It is pleasant to hear such an objection as this, because it is a sign that we are very near the end of all objections.

With regard to Assessment, that will require special and careful arrangement. Every one, who is familiar with Parish government and taxation, knows that true and fair assessment requires that intimate local knowledge which only those on the spot can have. It may sound systematic to propose the enforcement of new valuations, to be made by Surveyors and Assessors appointed by foreign bodies with high sounding titles,

such as Lords of the Treasury, Commissioners, etc. But, practically, no amount of ability, or skill, or authority, can compensate for the want of intimate *local* knowledge.

What are wanted for this National Valuation are, local knowledge, ability, skill, and integrity, with independent authority for the removal of existing obstructions to responsible action.

These objects may, perhaps, be best attained by the appointment by Government of a London Board of Commissioners, consisting of honorable, independent, and able men, with liberal salaries. Also a Country Board of Commissioners, appointed by Government, but to be selected from the Land Proprietors of each County, or District, with liberal Salaries, to be paid by the Government.

The Government Surveyors to be chosen by the London Board of Commissioners ;—and the like number of County or District Surveyors to be chosen by the Country Board of Commissioners ; all to be liberally paid by the Government.

The Assessors to be selected from the County, or District, by the Country Commissioners, subject to the approval of the London Commissioners ; and to be liberally paid by the Government.

The London Assessments to be approved of and signed by the London Commissioners.

The Country Assessments to be approved of and signed by the Country Commissioners.

The Appeal from the London or Country Assessment to be to the Lords of the Treasury, or to a Jury, at the option of the party appealing ; and the decision, or verdict, to be final.

These are merely suggestions, on matters of mere detail. But these are details of great importance for the safe and satisfactory working of the whole Scheme. It is of the utmost importance that justice should be

observed, and that the most simple and effectual means should be adopted for that end.

The whole responsibility, and all the expenses should be borne by the Government, and, therefore, the Collectors, or Tax-gatherers, should be appointed solely by the Government, and their receipts should be final discharges for the amounts stated to be received.

It seems desirable to give the option of a final appeal to a Jury, for the satisfaction of the Country ; and the Costs of such appeal should, of course, fall upon the losing party,—that is, either the Government, or the party appealing.

The expense of the whole of such machinery, for carrying out such a Scheme, would be very trifling, in comparison with the object.

After the valuations had been once established, the expense of revising the valuations every five or seven years, or other period fixed upon, would be much less.

These further remarks on details are given merely as explanatory of the object in view, and to show that there is no real difficulty in this part of the question.

Other details have, perhaps, been already sufficiently given for the present purpose, which is, to show the outline of a Practical Scheme of Taxation based on sound principles.

That much is left open to objection and improvement, in minor matters of detail, is very probable ; but, in any attempts at improvement in such matters, great care should be taken not to infringe in the slightest degree, upon any principle ; for, in preserving intact every *principle* here laid down, the safe-working of the whole Scheme undoubtedly depends.

But, after all, that many objections will be made by prejudiced and unreasoning men is to be expected. This appeal is not made to them. They must be passed by.

The power of making objections may be abused

with so much ease, that it always will be abused. There never was, and never will be, any plan executed, or proposed, against which strong, and even unanswerable objections, may not be urged; so that unless the opposite objections be set in the balance on the other side, we can never advance a step.

“There are objections,” said Dr. Johnson, “against a *plenum*, and objections against a *vacuum*, but one of them must be true.” No course of conduct is altogether free from errors, no legislative scheme is altogether free from defects.

A critic, therefore, who dwells exclusively on the defective points, who does not attempt an impartial investigation of both sides of a question, who does not endeavor to compare the advantages with the disadvantages, and to strike the balance between them, can never be at a loss for finding the means of censure and condemnation. Moreover, a legislative scheme may always be reduced to absurdity by supposing extreme cases, and by assuming that every provision will be executed with mechanical inflexibility, and without regard to ulterior consequences; suppositions wholly at variance with the truth, and inconsistent with the spirit in which laws are really carried into effect, but which, nevertheless, serve as the substratum of a large part of the objections made to measures of legislation, while they are under discussion.

The fallacy consists in showing that there are objections against some plan, theory, or system, and thence inferring that it should be rejected; when that which ought to be proved is, that there are more or stronger objections against the receiving than the rejecting it.

This is the remark of Archbishop Whately, who has included the Fallacy of Objections in his enumeration of sophistical modes of reasoning. He illustrates this sort of sophistry in an amusing way, by one of Dr.

Johnson's paradoxes, more popular in his time than now, but far from being now exploded ;—that a given amount of ability may be turned in any direction, 'even as a man may walk in this way or that.' And so he can ; because walking is the action for which the legs are fitted ; but though he may use his eyes for looking at this object or that, he cannot hear with his eyes, or see with his ears. And the eyes and ears are not more different than, for instance, the poetical faculty, and the mathematical, — as in Milton and Newton. 'Oh, but if Milton had turned his mind to mathematics, he might have been the great mathematician, and Newton the great poet.' This is open to the proverbial reply :—'If my aunt had been a man, she would have been my uncle.' For the supposition implied in these *ifs* is, that Milton and Newton should have been quite different characters from what they were.

One course generally adopted by a caviller, with respect to any proposal that is brought forward, is, if it be made in *general* terms, to call for *detailed particulars*, and to say,—'explain distinctly what kind of regulations you wish for, and what are the charges you think needful, and who are the persons to whom you would entrust the management of the matter,' etc.

If, again, any of these details be given, it will be easy to find some plausible objection to one or more of these, and to join issue on that point, as involving the whole question. Sancho Panza's Baratarian Physician did not at once lay down the decision that his patient was to have no dinner at all ; but only objected to each separate dish to which he was disposed to help himself.

But, in proposing any scheme, the best way is, to guard, in the first instance, against cavils on *details*, and establish, first, that *some* thing of such and such a character is desirable ; then proceeding to settle each of the particular points of detail, one by one ; thus, as

it were, to cut a measure into mouthfuls, that it may be more readily swallowed; dividing the whole measure into a series of resolutions; each of which will, perhaps, pass by a large majority, though the whole at once, if proposed at once as a whole, might have been rejected. For, supposing it to consist of four clauses, A, B, C, and D; if out of an assembly of one hundred persons, twenty are opposed to clause A, and eighty in favour of it, and the like with B, and with C, and D, then, if the whole were put to the vote at once, there would be a majority of eighty to twenty against it; whereas, if divided, there would be that majority in favor of it.

It is fairly to be required, however, that a man should really *have*—though he may not think it wise to produce it in the first instance—some definite plan for carrying into effect whatever he proposes. Else, he may be one of another class of persons as difficult to negotiate with, and as likely to baffle any measure, as the preceding. There are some, and not a few, who cast scorn on any sober practical scheme by drawing bright pictures of a Utopia which can never be realised, either from their having more of imagination than judgment, or from a deliberate design to put one out of conceit with everything that is practicable, in order that nothing may be done. *E. g.*—‘What is wanted, is, not this and that improvement in the mode of electing members of parliament,—but a Parliament consisting of truly honest, enlightened, and patriotic men. It is vain to talk of any system of Church-government, or of improved Church-discipline, or any alteration in our services, or revision of the Bible translation; what we want is, a zealous and truly evangelical ministry, who shall assiduously inculcate on all the people pure Gospel doctrine. It is vain to cast cannon, and to raise troops; what is wanted for the successful conduct of the war is, an army of well-equipped, and well-disciplined men,

under the command of generals who are thoroughly masters of the art of war,' etc.

It is vain to propose any Practical Scheme of Taxation; what is wanted is, an honest Government which shall bring forward some well-considered scheme, which shall be approved of by all classes of the People.

Thus, one may, in every department of life, go on indefinitely making fine speeches that can lead to no practical result, except to create a disgust for every thing that is practical.

When (in 1832) public attention was called to the enormous mischiefs arising from the system of Transportation, we were told in reply, in a style of florid and indignant declamation, that the real cause of all the enormities complained of, was, a want of sufficient fear of God;(!) and that the only remedy wanted was, an increased fear of God.(!) As if, when the unhealthiness of some locality had been pointed out, and a suggestion had been thrown out for providing sewers, and draining marshes, it had been replied that the root of the evil was, a prevailing *want of health*; that it was strange, this—the true cause—should have been overlooked; and that the remedy of all would be to provide restored health!

As for the penal colonies, all that is required to make them efficient, is, we must suppose, to bring in a Bill enacting that 'Whereas, etc., be it therefore enacted, that from and after the first day of January next ensuing, all persons shall fear God.(!)'

It is such Utopian declaimers that give plausibility to the objections of the cavillers above noticed.

It is but fair, after one has admitted (supposing it is what ought to be admitted) the desirableness of the end proposed, to call on the other party to say whether he knows, or can think of, any *means* by which that end can be attained.

Some of the latter remarks are abridged from Archbishop Whately's Annotations on Bacon's Essays.

There are abuses known by all the world, against which every voice is raised, and yet these have secret supporters who know how to defend them, in a manner to tire out well-meaning people.

There are false characters, perverse hearts, that seem to regard errors and abuses as their patrimony. But it must be admitted that evil is generally perpetrated in a less wicked manner when it is done without the intervention of any strong passion ; by vulgar, yet all-powerful routine, and ignorance.

The same thought, though clothed in calm and cleverly circumspect language, was expressed by Bailly, in describing the Hôtel Dieu at Paris.

"The Hôtel Dieu has existed, perhaps, since the seventh century, and if this Hospital is the most imperfect of all, it is because it is the oldest. From the earliest date of this establishment, good has been sought, the desire has been to adhere to it, and constancy has appeared a duty. From this cause, all useful novelties have with difficulty found admission ; any reform is difficult ; there is a numerous administration to convince ; there is an immense mass to move."

He who sows a thought in a field rank with prejudices, with private interests, and with routine, must never expect an early harvest. But in this world the tares and the wheat grow together, and all we have to do is, to sow the wheat.

The author of a discovery beneficial to mankind has always to contend against those whose interests may be injured,—or are supposed to be injured,—the obstinate partisans of everything old, and finally, the envious: And these three parties united form the great majority of the Public. Furthermore, we know that, men may devote themselves to deep studies, possess knowledge and

probity, exercise to an eminent degree oratorical powers that move the feelings, and influence political assemblies, and yet sometimes be deficient in plain common sense.

But, after all, facts must prevail in the long run ; and what astronomical records or meteorological registers are to a rational explanation of the movements of the planets, or of the atmosphere, statistical returns are to social and political philosophy. Unfortunately for mankind, facts are not sufficiently regarded. Men, in general, do not adopt that celebrated maxim of Lord Bacon for their guide :

“ To write, speak, meditate, or act, when we are not sufficiently provided with *facts* to stake out our thoughts, is like navigating without a pilot along a coast strewn with dangers, or rushing out on the immense ocean without a compass, or rudder.”

No eloquent declamation is capable of resisting such a process of reasoning, or withstanding the force of such conclusions, as are to be drawn from facts and figures. As the eminent Astronomer, Arago, said :—
“ The Mathematics have been, in all ages, the implacable adversaries of scientific romances.”

Even *probabilities* are to be calculated by figures. An event is ‘*probable*’ when its probability, numerically estimated, exceeds $\frac{1}{2}$ —improbable when it falls short of that fraction. As probability is the numerical measure of our expectation that an event will happen, so it is also that of our belief that one *has* happened, or that any proposed proposition *is* true. Expectation is merely a belief in the future, and differs in no way, so far as the measure of its degree is concerned, from that in the past.

La Place described the theory of Probabilities as—
“ good sense reduced to a system of calculation.”

To render the consequences of our actions certain

and calculable, as far as the conditions of humanity will allow, and narrow the domain of chance as well in practice as in knowledge, is so thoroughly involved in the very conception of law and order as to make it a primary object in every attempt at the improvement of social arrangements. Extensive and unexpected fluctuation of every description, as it is opposed to the principle of divided and independent risks, so it also, by consequence, stands opposed to the most immediate objects of social institutions, and forms the element in which the violent and rapacious find their opportunities.

Nothing, therefore, can be more contrary to sound legislative principle, than to throw direct obstacles in the way of provident proceedings on the part of individuals (as, for instance, by the taxation of Insurances), or to encourage a spirit of general and reckless speculation, by riding unreservedly over established laws of property, for the avowed purpose of affording a clear area for the development of such a spirit on a scale of vast and simultaneous action.

So, also, nothing can be more contrary to sound legislative principle than to throw direct obstacles in the way of provident proceedings on the part of the largest portion of the community, with a view to benefit the position of the smallest portion.

The working classes must always be by far the largest portion of every community. They are the principal purchasers of those domestic and foreign commodities which enter most largely into the general consumption. By far the greater part of the agricultural produce of the country is raised for them; they are the chief buyers and consumers of tea, coffee, sugar, tobacco, beer, and spirits, and other articles of necessary or ordinary consumption; and they are the best customers of the manufacturers and producers themselves.

To say that it is injudicious in a Government to throw any unnecessary obstacle in the way of the principal consumers of these necessary articles must seem, to most persons, to be only a truism : and yet this is what all Governments are doing !

Take, for instance, the Sugar Duties.

What term of indignation is too strong to be applied to a Government, which permits the existing state of our Sugar Duties ?

Can anything be more impolitic than our present system of differential duties on that necessary, and even essential article,—Sugar ?

Could any person, of ordinary understanding, suppose it possible that any civilised Government could so impose its duties on this necessary article for human comfort, and even life,—so abundantly produced by Nature in a tropical climate, and so easily made serviceable for human use,—as not only to prevent consumption by a very large portion of its own people, but actually to prevent the best Article from coming into the country at all.

The consequence of all this is, that the pure article,—as expressed from the cane,—which, evaporated under a tropical sun, becomes a perfectly white and pure Sugar,—is absolutely unknown to the consumer in this country, and an inferior article, manufactured at a heavy additional cost, is forced upon him in order to confer a doubtful benefit on a small body of Refiners in this country, and on those growers who employing less capital, energy, and enterprise, make bad Sugar.

Thus, for the comparatively trifling gain to a few monopolist-sugar-refining-firms, — thirty millions of people in this country have imposed upon them an inferior, adulterated, and positively unwholesome, article, at a much higher price than that for which they might have the pure, genuine, and highly nutritious, article,

which Nature so abundantly supplies, and evidently intended for the benefit of all.

The differential duties on Sugar, imported into this country, are so imposed, on the *ad valorem* principle, that the producers are compelled, for their own interests, to lower the quality of the sugar in its manufacture, and it is a fact well known in the trade that, the manufacturers, when they find that, by accident they have made it too good for our market, mix with it sugar refuse, and even sand and dirt, in order that it may arrive in this country in a sufficiently impure state to pass under the lower scale of *ad valorem* duty, and to be fit for purification by the filthy process of our sixty or seventy great sugar-refining firms.

But this is not all.

In order that the raw Sugar may arrive in this country in a sufficiently impure state to evade one or two duties, and to come in under the lower duties, the adulterated article is shipped in such an impure state that, according to the estimate in the trade, about 12 per cent. escapes from the cask, and this is so offensive that, it is thrown over-board, for the sake of the health of the crew.

This loss, of course, is made up by an additional charge to the consumer.

All this miserable evasion, which, in plain terms, is wholesale *cheating*, of the worst description, by the Government, in connivance with the partly ignorant, partly negligent, legislature, is, as before said, for bringing the impure article within the lower scale of *ad valorem* duty, and for adding some thousands a year to the Public Revenue !

These Statesmen, or Legislators, do not see how much more they lose in thus imposing upon the People.

It is impossible to suppose that they see this, for

that would be to suppose them indifferent to the consequences,—which nobody does suppose.

Nor does anybody suppose that they persist in the present scale of duties for the sake of helping the great sugar-refining firms to make their large fortunes; and nobody blames these wealthy monopolists for availing themselves of the Law to make their large fortunes. The Government cares nothing for them. The Government is thinking only of the revenue from the Sugar Duties. They do not see that, if they must have a duty on this necessary of life, they would get much more, by a lower and fixed duty, than they could ever get by any scale of differential duties which human ingenuity could devise.

Who is the Chancellor of the Exchequer who will venture to dispute this assertion by a plain and simple denial?

If any Chancellor of the Exchequer will venture to stake the whole question on this issue, judgment will soon be pronounced against him, by the People.

When the People understand the question, they will not submit to any duty on Sugar.

A low fixed duty might now deceive them into submission, for some time to come. But it will be better for them, in the end, if even this small concession to common sense be withheld a little longer. Some years hence, and perhaps, not many, the Sugar Duties will be referred to as a thing of the past,—as a marvellous instance of the ignorance of past Governments. It is only a question of time. Nature must, in time, prevail over the weak and sinister artifices of narrow-minded men to restrain her marvellous bounty and loving-kindness to all mankind. But, Parliament and the People must be enlightened before that happy time will come.

Then, Sugar, now unknown in this country for rich-

ness, sweetness, and fine flavor, will be sold here for *less* than 2*d.* a pound, and so abundant will then be the supply, that Farmers will then fatten their cattle with better sugar than is now sold to the poor at a high price ; and, moreover, Farmers will then manure their land with sugar, nothing inferior to much now brought to the English market for their consumption.

Many will laugh at this as a contemptible prophecy. But it is no prophecy. The fulfilment is much too plain for that, and many now living will live to see it.

It requires no great foresight to see that, the inexhaustible richness of the earth under a tropical sun, was intended to fertilise and sweeten the comparatively sterile and sour soils in less favored climes ; and he must have a bold imagination who can believe that human selfishness and meanness will for ever thwart and counteract the bountiful designs of abundant Nature.

Who, now living, supposed twenty years ago, that he should see ship-loads of pine-apples brought over to this country, and sold in the streets of London, for 2*d.* and 3*d.* a-piece ?

Would it be more wonderful if the purest and sweetest white sugar were sold in London at or under 2*d.* a pound ?

What is now known as lump sugar, would then be unknown, or remembered only as a curiosity.

The expressed juice of the cane would then be imported into this country, in its natural state, as perfectly pure white sugar. For this, all that would be required would be, to expose the pure juice in shallow pans to the process of evaporating the water by the action of the tropical sun.

This would produce a whiter and more perfectly crystalised sugar, than by any of the nasty and

artificial processes of the Sugar Refiners, and all the loss and expense of their processes would be saved.

Those nasty products, known in the Trade by the appropriate names of '*Pieces*' and '*Bastards*,' now sold as sugar in vast quantities, chiefly to the poorer consumers, but quite unfit for consumption, would be known and sold no more; or, if known and sold, not as sugar, but as manure. These are the *remains* to the Refiner, after he has made his Lump Sugar; and, by the inexperienced, can be better distinguished by the nose, than by the eye,—the *Pieces* being the least and the *Bastards* the most nasty; the former having lost their virtue, and the latter having the smallest possible quantity of goodness remaining.

It appears, from all the evidence given by the Trade, that these corrupt *remains* are brought into existence by the present scale of differential duties, and that, if there were no duty at all, or, even if there were a *fixed low duty only*, there would be no consumers of this offal. There could be no Bastards, if there were no Pieces.

This Evidence seems, to the uninitiated in the mysteries of Sugar Making and Refining, to be founded on plain common sense reasoning, for the Raw Sugars being prohibited, by high duties, from entering into our market, the Refiners are compelled to use the articles of low and impure quality, which the differential duties, in actual effect, alone permit to enter, and they would not manufacture these into Sugar, if they could work with better materials.

But, as before said, if there were no duty at all, there would be no need for any refining, as the finest and purest crystalised white sugar would come direct to our market from the first producer, who would also be the manufacturer.

Can anything exceed the human folly of the artifi-

cial system which prevents this natural and simple process from coming into operation ?

It is impossible to imagine what can be said for folly such as this !

There is the folly of ignorance, and there is the folly of wickedness.

In this case, it cannot be of the first, and no one likes to say that it is of the last. But whichever or whatever it may be, it is inexcusable.

This is a subject thoroughly understood, in all its bearings, by the wholesale dealers,—men of great intelligence, as well as great wealth.

For many years past, some few of them have spared no pains in bringing before Government by Memorials and Deputations, and before Parliament by Petitions, the whole question of the Sugar Duties, in all its bearings, and in all its inconsistencies. But still these inconsistencies are continued ! The People who are the sufferers, do not trouble themselves, and, therefore, their Representatives in Parliament do not trouble themselves. Most probably there are very few amongst them who know much about the Sugar Duties. How many persons read these Memorials and Petitions against the Sugar Duties ?

The Writer of these pages has taken that trouble. And what a display of intelligence,—what sound reasoning from well ascertained facts and well known principles, and what conclusive results, do these Memorials and Petitions present !

This subject, already exhausted in the earlier pages, is here again adverted to for the sake of leaving, in these last words, a final and lasting impression of the monstrous iniquity and impolicy of this Tax.

It is too late in the day, and we are too near the end of this volume, already too much swelled out, to be drawing out more Tables to show the injurious effect of

our remaining Duties on necessary articles. But those who wish to satisfy their curiosity on this subject may refer to the Parliamentary Returns; showing the quantities of Tea, Coffee, Sugar, Molasses, Spirits, Malt, Wine, and Tobacco, retained for Home Consumption in the United Kingdom in each year for the last thirty years; the Amount of Duty received upon each Article; the Rate of Consumption, per Head, of the Population, and the Rate of Contribution, per Head, to the Revenue.

From these it will be seen how great and unnecessary has been and is the deprivation and suffering of the working classes in this country in all these articles, especially in the one important article, Sugar; and how great and immediate would be the relief afforded if all these duties were abolished.

It must be admitted to be most desirable that, the Working Classes should be enabled to supply themselves with all the necessaries of life,—to rent comfortable dwellings,—to clothe themselves decently,—and to educate their children creditably.

For these purposes their earnings should be sufficient; and the great question arises:—How is this to be secured?

Under the free competition system which prevails, the master's interest is,—to get the work done for as little as possible, compared with other employers, in order that his profits may be the larger; whilst it is the workman's interest to obtain as high wages as possible, in order that his command may be the greater over the commodities of life. How are these interests—conflicting, as they are improperly called,—to be preserved?—how made to work together harmoniously?

The true answer, it is humbly but confidently submitted, is to be found in these pages. To make this

answer practically true, all that is required is, to carry out, earnestly and faithfully, the few and simple principles here laid down;—to believe it true, and then to prove it to be so;—to act towards the working-classes, of all denominations, as if what is here said of them were true beyond dispute;—to regard them as the first to be cared for, not the last;—to trust them, and to try them;—to trust a principle which we may know to be true,—to be applicable to all persons, in all circumstances, and in all times;—and to rely upon it;—to act under a sense of justice;—to trust the old saying,—‘Honesty is the best policy;’ though, as it has been said:—‘He who acts on that principle is not an honest man.’

It was Arnold’s view of life that, “the highest virtue of which a man is capable, and the last at which he arrives, is,—a sense of justice.”—Let it be the last.

Belief is the first step to attainment. But it is not enough to believe what you maintain: you must maintain what you believe; and maintain it because you believe it. But, as any one may bring himself to believe almost anything that he is inclined to believe, it makes all the difference whether we *begin*, or *end* with the inquiry,—“What is truth?” To wish to find truth on one side rather than the other, is natural, and often wise; but to *think that* true which we wish, and merely *because* we wish it, is always an undeniable folly. “It is one thing to *wish* to have truth on our side, and another thing to wish to be on the side of truth.”

Some persons follow the dictates of their conscience, only in the sense in which a coachman may be said to follow the horses he is driving.

An aversion to doubt—a dislike of having the judgment kept in suspense, combined with indolence in

investigation, induces the great mass of mankind to *make up their* minds on a variety of points, not one of which they have thoroughly examined.

A choice of difficulties seems a necessary condition of human affairs. For it perpetually happens, in every department of life, that there will be objections, greater or less, to each of any possible causes before us. And yet, many intelligent persons sit down quite satisfied that they have proved their point when they have shown the grave objections to one course, without at all noticing those that lie against all the others; and without perceiving that they are in the condition alluded to in the Roman proverb, "*Lupum auribus teneo*"—when it is difficult and hasardous to keep one's hold, and eminently hasardous to let it go.

Suspension of judgment, so often urged, as long as there are reasons on both sides, is practically,—since there always will be reasons on both sides,—the very same thing as a *decision in favor of the existing state* of things,—“Not to resolve is to resolve.”

Disbelieving is believing; since to disbelieve any assertion is to believe its contradictory; and whoever does this on slight grounds is both credulous and incredulous; these being, in fact, one and the same habit of mind.

One may often hear it observed that, there is a *great deal of truth* in what such a man has said; *i. e.* perhaps, it is *all* true,—except one essential point.

Amongst these remarks are introduced some of the aphorisms so richly scattered through the writings of Archbishop Whately. The application will be plain to many who read them.

But after all that can be said on a subject so extensive as this is,—so deeply affecting the interests of all people,—so open to varying opinions, swayed by so many varying and interested motives, and long esta-

blished prejudices,—there will be much remaining to be said, much which might have been said much better, and much which might better have been left unsaid. Arguments well addressed and with good effect to one class, will be ill suited to and will produce an opposite effect with another class. The best way of proceeding, for arriving at a conclusion satisfactory to the honest-minded inquirer, is to reject all arguments and reasoning which do not go directly to his own honest judgment; but never to allow the judgment to be prejudiced against the subject by any errors, or supposed errors, of the advocate. The case may be very good, though the advocacy be very bad. The opinion of the advocate can never be of even the smallest consequence;—but the question itself is of the most momentous importance, not only to every individual inhabitant of this country, but also of every other civilised country of the world.

If there be anything in the views put forth in these pages, which seems to be inconsistent with a well known and acknowledged principle, that ought to make the reader pause before he gives his assent.

But if his assent be withheld only because these views are new and untried, that is the same thing as saying that his assent shall never be given; for, then, whatever is new and untried must for ever remain so, as it can never be brought to the test of experience.

That is a very good rule in the case of anything new which is not reconcileable with sound principle; but there are many new questions which can be more safely determined by *principle*, than by what is understood by the term, *experience*, and the present question seems to be one of these.

The views here presented, though never yet carried out in practice, rest upon principles well known, and supported by authority, admitted by all to be the

highest which the world has yet produced, and to be perfectly consistent with all that we know on the subject from experience.

We are confirmed in these views by those three great men, Turgot, Adam Smith, and Bastiat,—whose enlightened minds have thrown such light upon the subject for our guidance, that what was previously as obscure as night, is now as clear as the sun at noon-day.

The enlightened Government that would carry out these views might be sure of their ground without further experience.

The wise caution, in the beautiful couplet of Dean Trench, would have been observed:—

“Wouldst thou go forth to bless be sure of thine own ground,
Fix well thy centre first, then draw thy circles round.”

No ground can be more sure for the foundation of any scheme of human government, than that which is confirmed by Reason, in conformity with the Divine Will, as far as it has been revealed to us, nor can experience be wanted to make that ground more sure.

Human legislation seldom proceeds on ground so sure as this is.

In these pages there has been occasional reference to providential laws, or the laws of Nature; also to a rational, or common sense, view of questions concerning human affairs on which we are called upon daily to determine according to our imperfect judgment.

Many, indeed most persons, deny that there is any *revealed* law of God for the regulation of human government; and they regard with something like derision any appeal, on these occasions, to providential laws, or the laws of Nature, and to what is called, a *rational* or *common sense*.

But, in this opinion the Writer does not concur.

No doubt, *common sense* is a very yielding and accommodating phrase, which has been moulded and fitted for the purpose of expressing the hypothesis in question. In all their decisions, mankind in general claim to be determined by *common sense*.

This impression is so common that, we are led to the conclusion that God has not committed us to the guidance of our slow and fallible *reason*, but has endowed us with *feelings*, which warn us at every step; and pursue us with their importunate reproaches when we wander from the path of our duties.

These simple or inscrutable feelings have been likened to the outward senses, and styled the *moral sense*. The objects or appearances which properly are perceived through the senses, are perceived immediately, or without any perceptible inference of the understanding. According to the hypothesis here briefly stated or suggested, there is always an inference of the understanding, though the inference is short and inevitable. From feelings which arise within us when we think of certain actions, we infer that those actions are enjoined or forbidden by the Deity.

The laws of God, to which these feelings are the index, are not unfrequently named *innate practical principles*: or they are said to be written on our hearts by the finger of their great Author, in broad and indelible characters.

These feelings, on ordinary occasions, are expressed by the term, *common sense*: considered as affecting the soul, when the man thinks especially of *his own* conduct, these sentiments, feelings, or emotions, are frequently styled his *conscience*.

The laws of God, therefore, which are not revealed or promulged, must be gathered by man from the

goodness of God, and from the tendencies of human actions ; and the feelings or moral sense with which He has endowed us must be our index or guide to His unrevealed law. In other words, the benevolence of God, with the principle of general utility, is our only index or guide to His unrevealed law.

God designs the happiness of all His sentient creatures. Some human actions forward that benevolent purpose, or their tendencies are beneficent or useful. Other human actions are adverse to that purpose, or their tendencies are mischievous or pernicious. The former, as promoting His purpose, God has enjoined. The latter, as opposed to His purpose, God has forbidden. He has given us the faculty of observing ; of remembering ; of reasoning : and by duly applying those faculties, we may collect the tendencies of our actions. Knowing the tendencies of our actions, and knowing His benevolent purpose, we know His tacit commands.

Inasmuch as the goodness of God is boundless and impartial, He designs the greatest happiness of all His sentient creatures : He wills that the aggregate of their enjoyments shall find no nearer limit than that which is inevitably set to it by their finite and imperfect nature. From the probable effects of our actions on the greatest happiness of all, or from the tendencies of human actions to increase or diminish that aggregate, we may infer the laws which He has given, but has not expressed or revealed.

These laws are binding upon us (who have access to the truths of Revelation), in so far as the revealed law has left our duties undetermined. For, though his express declarations are the clearest evidence of His Will, we must look for many of the duties which God has imposed upon us, to the marks or signs of His

pleasure, which are styled the *light of Nature*. Paley and other divines have proved beyond a doubt, that it was not the purpose of Revelation to disclose the *whole* of these duties. Some we could not know, without the help of Revelation; and these the revealed law has stated distinctly and precisely. The rest we may know, if we will, by the light of Nature or Reason; and these the revealed law supposes or assumes. It passes them over in silence, or with a brief and incidental notice.

If we do not read them in the light of Nature or Reason, we know no more of them than do those who are without the revealed law.

But we do not therefore escape the consequences of our wilful ignorance.

The laws of Nature work unerringly, whether we regard them or not. Our disregard does not disturb their harmony, though our human laws can never work harmoniously for us, if not in conformity with the laws of Nature.

The laws of Nature were made to work equal good to all. This we may clearly see in that which is revealed, and by this light we may see our way in that which is unrevealed.

We may see that human laws, for the most part, are not made on any such just and beneficent principle: but quite the contrary. Our human laws are often made on the very opposite principle:—consequently they produce effects the very opposite of those intended. They do not work, and were not intended to work, equal good to all: therefore they work injury to all. There is no harmony, because there is no justice, no reason, no moral sense, no common sense,—nothing to satisfy that innate feeling which is common to all.

The common feelings of human nature revolt at

such injustice ; and, until harmony be established between human laws, and natural or providential laws, there can be no peace among men, no common bond for their mutual welfare.

It is by this antagonism against the evil of oppression, that a righteous rule will be established,—if ever,—on this earth ; and then, but not till then, it will be clearly seen that,—“THE WELFARE OF THE PEOPLE IS THE HIGHEST LAW.”

But these are abstruse researches, and the bulk of mankind can have little opportunity for comparing the respective merits of the varying opinions, and determining for themselves where the truth lies in such inquiries as these.

Anxiously busied with the means of earning a precarious livelihood, they are debarred from every opportunity of carefully surveying the *evidence* of facts, and following the sound reasoning therefrom : whilst every *authority*, whereon they may hang their faith, wants that mark of trust-worthiness which justifies reliance on authority.

The bulk of the people,—it must be admitted,—are utterly incompetent to follow out this inquiry to the just conclusion. Moreover, they have little faith in those who profess to make the inquiry for them. They know, because they feel, that things are not as they ought to be, but for anything beyond that they know their own utter incompetency, and in all the political changes which pass before them, they find no material change for their own benefit.

There is, therefore, not much cause for wonder that the People manifest but little confidence in any Government, and but little interest in the question of Taxation, in comparison with its deep importance to their own welfare. Nor can the bulk of the community ever be made acquainted with more

than a few of the most prominent facts, calculated to strike home; and such facts must be calculated to appeal more to their feelings, than to their understandings.

Herein lies the difficulty.

To address arguments to any Government, in this or any other country, in support of such a Scheme as this, can never be anything more than an idle waste of words.

To look for the active support of the bulk of an ignorant community, in such a question as this, is equally hopeless.

But there is another course open, and to that we would now direct attention.

To a certain but narrow extent, the People may be instructed on this question. But, on such a question as this, the bulk of the People will always be very ignorant. On this question, the highest and the most educated are almost as ignorant as the lowest and the least instructed. They all want to be taught, and to a certain but narrow extent, they all may be taught. They may be taught a few primary principles, from a few well selected, and well known facts. From these facts the bulk of the People may be made to see that they are unfairly treated, and that, *through them*, all are really injured. They may be made to see and to understand that, the present system was "*ingeniously*" contrived for the purpose of serving a small class of the community, at the expense of a large class;—how this system has always worked, and always must work, to the injury of all classes;—that to this system is mainly attributable the depressed state of all the laboring classes, particularly the agricultural laborers,—the deprivations and sufferings of the poor,—and their consequent guilt and wretchedness.

They may be made to see and understand all this,

and how the greater part of this may be easily removed and prevented.

When they do see and understand this,—but not before—it may be confidently assumed that, they will be interested in this inquiry, and eager to know the remedy.

The remedy being very simple, and in their own power, they will soon see how to use it.

They will see that they must be represented in the Council of the Nation by those who will really represent the true interests of the Nation; and they must unite together with a steadfast will and a firm resolve to oppose the admission into Parliament of any representative of the People who has not previously pledged himself to support, at least, the *principle* of this Scheme of Taxation, for Justice to the People, and for the National Prosperity.

To carry out this teaching and organisation of the People, a large fund will be required. This must be raised by a National Subscription, to be entitled:—
'THE NATIONAL FINANCIAL REFORM FUND.'

It will then be a reasonable hope,—when the Merchants of Liverpool have put forth a PRACTICAL SCHEME, which they are prepared to maintain and defend against all enemies,—that every Merchant, Manufacturer, and Trader in the Kingdom,—when he understands that Scheme, and sees clearly the great benefit which he, *individually*, must derive from it, will assist liberally, according to his means, for bringing it into practice: and it will not be unreasonable to hope that, a fund of £100,000 will soon be raised for such a purpose, that purpose being practically,—to leave the laborer in the full and free possession of the wages of his labor,—the Agriculturist, the Merchant, the Manufacturer, and the Trader in the full and free possession of the profits of their respective pursuits,—and the

professional man in the full and free possession of his professional income,—thus leaving to industry and skill their full and fair reward, and to Capital its full and fair return,—and thus tending to that great and holy end: “THE REALISATION OF THE UNITY OF MANKIND.”

The Author of “The People’s Blue Book” will be found in his proper place in the List,—but with his visor down,—at least, until the battle be over and won;—and that will depend on the Merchants of Liverpool, who were the first to come forward, as the champions, in this trial for truth and justice, and who must be the leaders of the People for their own and the Nation’s welfare.

As leaders, the Merchants of Liverpool have taken the first step.

It now remains for them to lead the People on to Victory.

But, to have the People with them, the People must clearly understand the cause in which they are engaged—what they are fighting for—and how the battle is to be fought, and won.

By these means only will it ever be won, and it will be well and cheaply won for the Merchants, Manufacturers and Tradesmen of this great Commercial nation, at the cost of £100,000. Nor will the great Land-Owners, Capitalists, and Professional Men, be less gainers, though they will, probably, be less helpers.

And now, to bring to a conclusion these ‘Concluding Observations,’ which commenced with the commencement of Bastiat’s ‘Concluding Observations’ to his ‘Harmonies of Political Economy,’ and shall conclude with the conclusion of his ‘Address to the Youth of France.’

The Author could not find any words of his own half so appropriate as these are, for the expression of

his feelings, not only to the Youth of England, but to all Englishmen;—to the whole People of this great United Kingdom.

He addresses them in the same words, because these were written for all mankind; because he entertains the same belief; and because his “judgment accords to them a deliberate assent.”

“I shall esteem myself happy if this work, as you proceed in its perusal, should bring to your lips the consoling words, I BELIEVE,—words of a sweet-smelling savor, which are at once a refuge and a force, which are said to remove mountains, and stand at the head of the Christian’s Creed—I believe.

“I believe, not with a blind and submissive faith, for we are not concerned here with the mysteries of revelation, but with a rational and scientific faith, befitting things which are left to man’s investigation.—I believe that, He who arranged the material universe has not withheld His regards from the arrangements of the social world.—I believe that, He has combined, and caused to move in harmony, free agents as well as inert molecules.—I believe that, His over-ruling Providence shines forth as strikingly, if not more so, in the laws to which He has subjected men’s interests and men’s wills, as in the laws which He has imposed on weight and velocity.—I believe that, everything in human society, even what is apparently injurious, is the cause of improvement and of progress.—I believe that, Evil tends to Good, and calls it forth, whilst Good cannot tend to Evil; whence it follows that Good must, in the end, predominate.—I believe that, the invincible social tendency is a constant approximation of men towards a common moral, intellectual, and physical level, with, at the same time, a progressive and indefinite elevation of that level.—I believe that, all that is necessary to the gradual and peaceful development of humanity is that

its tendencies should not be disturbed, but have the liberty of their movements restored.—I believe these things, not because I desire them, not because they satisfy my heart, but because my judgment accords to them a deliberate assent.”

“Ah! whenever you come to pronounce these words, —I BELIEVE, you will be anxious to propagate your creed, and the social problem will soon be resolved, for, let them say what they will, it is not of difficult solution. Men’s interests are harmonious,—the solution then lies entirely in this one word—LIBERTY.”

The very title of this work,—“The People’s Blue Book,”—may incline some,—who do not take the trouble to read it,—to think that, the object is to advocate Communism, Socialism, Republicanism, or any other of the political growths of modern times that tend to destroy distinction of classes and order in society.

The meaning and object of “The People’s Blue Book” is to show Christianity practically carried out in the government of human affairs.

The United States is a young nation, and its history is a story of growth and progress. It is a story of the struggles of a people to establish a government of their own, and of the triumphs of a nation that has grown from a small colony to a great power. The story is one of hope and courage, and it is a story that we can all be proud of.

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SUPPLEMENTARY CHAPTER
ON IRELAND.

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IRELAND.

A VISIT of three months in the summer of 1870 enabled me to traverse Ireland in its length and breadth and nearly in all directions.

Having never before been in Ireland, but being pretty well acquainted with its history, as far as it is written,—though Sir William Wilde says it is not yet written,—I went for the purpose of forming my own opinion of the present state and condition of the country and the people, from my own personal observation and communication with the natives.

I am induced to make this visit the subject of a supplementary chapter to a new edition of “The People’s Blue Book,”—long out of print,—in the hope of being able to offer some remarks, the result of my visit, on the chance of benefit to that most unprosperous portion of the—so called—United Kingdom.

I think it necessary for an Englishman to have seen Ireland and Irish people in Ireland, in order to form an opinion of the state and condition of that country and people. I can truly say that, although a stranger, I met with the greatest kindness and hospitality in all parts of Ireland, and from all classes of the People, even in the wildest parts along the western coast, and in that climax of desolation and destitution, Connemara.

In no other parts of Europe, that I have visited, have I seen poverty so nearly bordering on destitution as in those and some other parts of Ireland. But what struck me most in the midst of all this poverty was, the apparently easy indifference and cheerfulness of the people, and their extraordinary volubility in thankfulness for small favours. I was rarely asked for anything, but the donation of a few shillings to young and old, assembled round the carriage when it stopped in any town or village, brought sufficient evidence, by the sudden clutch and instant rushing away of the recipients, how highly they appreciated silver, and the increasing crowd told how quickly the news of the stranger's arrival spread amongst them. But they seemed scarcely less pleased when I was talking with them, as one of themselves, in their own familiar way, and telling them how much I wished it were in my power to help them. If their prayers could help me and my family in return, we were safe from all human affliction, with life indefinitely prolonged. We met with no mishap and suffered from no petty larceny in all our wanderings over Ireland, and in the poorest cabins we always found a kindly welcome.

The improving effects of industry in the appearance of the people and the face of the country in Belfast, Coleraine, and all those manufacturing parts of the North of Ireland are so striking that, it appears like another country inhabited by another people in comparison with some other parts of Ireland; and, as far as I could learn, the influence of the Roman Catholic Priests is much less there than in other parts of Ireland.

In the Southern and Western parts of Ireland the peasantry and working people in general seemed lazy, indifferent, and improvident; as if the want of profit-

able employment had taken out of them all inducement to labor beyond absolute necessity, and long absence of the comforts of life had rendered them indifferent to the loss of them. But yet they seemed to have retained more sense of some of the refinements of life than is usually found amongst their class in England. I never saw an Irishman beating his wife, or an Irish woman beating her children, and I never saw them cruel to their animals. To each other they are charitable, and for hospitality they are proverbial. In moral qualities they are, at least, equal to English men and women, and in no departments of human knowledge inferior. In vivacity of character and vigor of body and mind, in courage and patient endurance under hardships, and never failing love of country, Irish men and women have proved themselves pre-eminent amongst the races of mankind, and Education is more generally spread over Ireland than over England. I will add, not forgetting the danger of comparisons,—I saw more beauty of person and gracefulness of manner amongst the young women of the peasant class in Ireland, than I have been fortunate enough to meet with amongst the same class in England.

With all these fine qualities, which, in other countries, are accompanied with prosperity, why is Ireland an exception?

Many think that, Ireland's greatest misfortune has been her priest-ridden people, and that, of all evils which can afflict a people this is the greatest. Be this as it may, the greatest of all evils can be counteracted by carrying out in practice that invincible Christian principle, of doing unto others as you would they should do unto you. This is the best that the best of us can do, and this I take as my base of operations for present purposes.

One of my objects was to ascertain the opinions of the Irish People on the question of a Parliament in Ireland for Irish affairs, distinguished from Imperial affairs.

I took great pains to collect the opinions of all classes on this question, now generally known by the name of "Home Rule," and the result was conclusive,—the Irish Landowners and Property-holders generally, and the Linen Manufacturers in the North of Ireland, being decidedly unfavorable.

Being satisfied that, this is the feeling of Irish Landowners and Property-holders generally, I withhold any further expression of my own opinion on this question, in deference to theirs.

I have always advocated Civil and Religious liberty, and equal justice, but not equality of power or community of goods. To talk of equality in anything but justice, has always appeared to me idiotic, if meant in its literal sense, which, I believe, it never is. I look upon it as the common form of expression of ignorant demagogues and revolutionists.

Of two men occupying a position of equality as regards others, the man who contributes most to the happiness of others, by bestowing a greater quantity of service, will infallibly become the most influential. He will strengthen his position by augmenting the number of his good works. Every benefit conferred on others will be prolific of good to himself, and the benefits conferred on others increase the power of others; and the increase of power in the hands of those willing to do him service, is the increase of his own power. The compound interest brought to effective benevolence by deeds of benevolence, is happily without limit; of the seeds scattered by the husbandry of virtue few will turn out barren; but equality there never has been and never can be.

I withhold the expression of my opinion on Roman Catholic dogmas, but only out of respect to the persons who maintain them, and whilst writing thus of myself and of my opinions,—for which I ask my readers to make the best excuse they can find for me,—I will go on to add that, I have always advocated the utmost freedom for all religious sects, consistent with the pre-eminence in position and predominance in power to which the Protestant Established Church has attained, through the most bloody and fiery persecutions that the page of history has recorded, and I trust, that pre-eminence in position and predominance in power will be preserved through all times and through all trials.

The right way of dealing with Ireland is to allow her the largest measure of independence in the management of her own affairs, consistent with the maintenance of Union between the two countries. The great obstacle in the way of an *entente cordiale* between them is,—the Romish Priesthood, which will never be satisfied or, as far as its influence reaches, let Ireland be satisfied or cease to complain of persecution, until it has become dominant, and is itself in a condition to persecute. But if Ireland will only consent to let Education be an Imperial question,—which the Romish Priesthood will move heaven and earth to prevent,—the sinister influence of the Priesthood will be virtually extinct, and the prosperity of Ireland will be secured.

It is well known that, supremacy, not equality, is the object of ambition to the Roman Catholic hierarchy; but that never can be conceded whilst the Established Church of England is in faithful union with the State. The Roman Catholic Bishops in Ireland are, in fact, in a position of perfect equality as compared with the Protestant Bishops; and the pretensions of the Pope

to spiritual authority include all temporal questions. It happened that, Lord Clifford was a witness before the recent Committee on Convents, and on that occasion he was asked whether, if the law dealt with all denominations on an equality, the Church of Rome would be satisfied with being placed on the same footing as, for instance, Wesleyans, Independents and Baptists? Lord Clifford did not like this question, and when it was pressed, being an honorable man, he appealed to the Chairman of the Committee to be allowed to decline giving an answer.

No further answer being necessary, the question was withdrawn. If the answer had been given, it must have admitted that, the demand of Roman Catholics for religious equality was made merely as a step towards supremacy.

I resisted, by every small means in my power, the abandonment of the Established Church of the State in Ireland, and the unconstitutional seizure of its property; but I have always advocated the abandonment by the State of all claim for tithes or other compulsory payments to that Church, except by her own members, and that, full compensation should be given by the State to all lay Impropriators, with all proper allowances.

I hold to the union of the Established Church and State as essential for the welfare of the State, and I say—in the words of Oliver Cromwell—"If any whosoever think the interests of Christians and the interests of the Nations inconsistent, or two different things, I wish my soul may never enter into their secret."

I think it due to myself to say so much for myself, to balance my errors, if errors they be, on the other side.

I will not venture here to give what passed

between Cardinal Cullen and myself, at the long private interview, of my own seeking, which I had with him, by his own appointment, at his own house (October, 1870), on the subject of National Education in Ireland; though, at the commencement of our conversation, I explained my object to be entirely political, and expressly requested that it might not be considered private, to which the Cardinal distinctly assented. I also stipulated for the utmost freedom of speech on both sides, and that freedom we both exercised without the slightest reserve.

I will only say that, I, for one, would never consent to a Parliament in Ireland, if I thought that would place the education of Ireland under the sole direction and control of the Holy Father in Rome, or Cardinal Cullen in Dublin, or the Roman Catholic Priests in Ireland. They will, of course, be the shepherds of their own flocks, and so must we be of ours; but, I trust there is still in England a spiritual power powerful enough to intimidate a British prime minister from ever daring to attempt such a surrender of Ireland to the Roman Catholic hierarchy; far better would it be if the Emerald Isle,—‘the bright gem of the sea,’—were, as Queen Elizabeth once said, “at the bottom of the sea.”

With regard to the Roman Catholic Clergy, I am not competent to offer any opinion, my acquaintance with them having been very limited, and I had few opportunities of meeting them when in Ireland. But as far as my inquiries went, I always heard the Roman Catholic Parish Priests in Ireland spoken of as a virtuous and devout class; but narrow-minded and extremely ignorant. This is not surprising, if it be true that, their numbers are recruited chiefly from the ranks of the peasantry, and that, their lives are passed chiefly amongst the same class. Nor can their

minds be much enlarged by their associates in Maynooth College, if, as I was informed, that College be supplied chiefly from the same ranks. I should infer from this fact, if it be a fact, that, the Roman Catholic Parish Priest in Ireland has deteriorated intellectually rather than advanced since the endowment of the College at Maynooth.

Formerly the Roman Catholic Priests received their education in the larger sphere of the College at St. Omer or other Roman Catholic Educational Institutions in France, where, at least, they must have been associated with larger and more enlightened classes, of various creeds and opinions, from various nations. From this point of view it seems to me doubtful whether the College at Maynooth has been any real benefit to Ireland.

But be that as it may, I never could see the consistency of a Protestant Established Church and State endowing a College for the express purpose of disseminating doctrines directly opposed to the principles and constitution of that Church and State, and toleration does not mean endowment.

The same remark applies to the *Regium Donum*.

But as both these grants are now *bought up*, and the topic is tender, I drop it; nor should I have touched upon it, but that I do not wish to pass myself off to my readers, of any sect or class, as better or worse than I am. I am really very tolerant, because I am really very indifferent to the opinions of others, in matters which concern themselves alone; and, verily, I believe that, the sincere and faithful, whatever be their faith, are acceptable, and will be accepted, by their Divine Maker; though, certainly, it is very mysterious how anything good can be turned out of the materials with which some seem to be made. But, in this world "where much is to be learnt and

little to be known;" I am unceasingly and inexpressibly thankful for the little I am permitted to know, and what I most devoutly desire, before I quit this world, is to be permitted to mitigate, in however small a degree, some of what I call the needless misery of mankind.

What, I trust, most of us would value, as the privilege of our position, is—to be permitted to lend a helping hand to bind us all, apart from any particular sect, to a common Christianity for our common and equal temporal good, and so to unite us all to the national life of the present, and to the possible hopes of the future.

It is not by controversy that any good can be done. Controversy has kept alive much bitterness, and that, I believe, is all that it would accomplish if it continued to the day of judgment. Erasmus said:—"I do not care to make a post of myself for every dog of a theologian to defile."

In physics nothing that is unproved can ever find permanent place; and in matters of faith, which can never be proved, there can never be universal agreement. But although we can never hope to be all of one mind on questions which lie beyond the scope of human research and are the *unknowable realities*, yet we may hope to be united in Christian fellowship for the attainment of the *known realities*.

As I said to Cardinal Cullen, at my interview with him, just referred to;—Why may we not pursue our way in peace together, each on his own road, all being bound on the same journey, and all seeking the shortest and the safest way? Why may we not come to an agreement on equal terms for our common temporal good, and leave all free to follow in the way they think best in matters purely spiritual? Why should we attempt to overthrow or interfere with that

faith, which is the consolation of the present and the hope of the future? Why should we attempt to disturb that which is established and satisfies all faiths?

Cardinal Cullen's answer was:—"How can we pursue our road with you, we holding you and all who believe as you do, to be out of the pale of salvation?"

I do not think it necessary to make any further reference to my conversation of one hour with Cardinal Cullen, nor should I have attached the smallest importance to these words, if spoken by anybody else than Cardinal Cullen.

But our interview was very courteous, if not encouraging, and still I say, with that liberal and enlightened Churchman, Dean Stanley: "Let us not cast away the golden chance for this age of transition—which enables us to wait in patience the changes and the trials and the blessings which may be in store for us—the golden chance which, when it is gone, will perhaps be vainly lamented by those who, within and without the Establishment, are labouring to cast it aside. Episcopalians, Roman Catholics, Wesleyans, Unitarians, Independents, Quakers, we may become, if the Establishment be overthrown; but English Churchmen with all which that name implies of glory in the past, and of hope in the future, we shall be no more."

I was told in Ireland, and I have heard the same in England, that, about nine-tenths of the land in Ireland is owned by Protestants and Presbyterians. I hope it is so. But, however that may be, wherever I went in Ireland, and I went over nearly the whole, I thought I could say, pretty confidently, from my own observation of the state and condition of a Farm, whether it was held by a Protestant or Presbyterian tenant farmer, or by a Roman Catholic

tenant farmer. On many occasions I stopped to make the enquiry, and I was never mistaken. Protestant or Presbyterian generally keeps his fields free from weeds; but Roman Catholic Paddy attends more to the Saints' Calendar than to the Farmers' Calendar, and consequently he cultivates considerable crops of weeds. In numerous instances I saw fields with more weeds than corn or potatoes, and *adjoining* fields with fine crops and not a weed to be seen. In many fields I saw crops of nothing but docks.

But I do not mean to say there are no good Roman Catholic tenant farmers in Ireland. As a rule, the English and Scotch Farmers are the best, and so much the best as to be very clearly distinguishable; but this rule, like most others, has exceptions. I am sorry to say, I have never, in any part of agricultural Europe, seen so much bad farming as in Ireland, though, in some few instances, I have seen as good farming in Ireland, as in England or Scotland; but, in all these instances the farmers were English or Irish Protestants or Scotch Presbyterians. But, I admit, the true Irishman of his class, takes uncommon care of his pig, even to sharing with it the comforts of his cabin, and not only in the day, but also in the night, and I have sometimes seen this domestic lodger, occupying the best place before the turf fire, covered up with fragments of old woollen garments. But, then, as the poor Irishman says, 'the pig pays the *rint*.'

But, the important question is,—how to improve the condition of Ireland and raise the standard of comfort of the Irish tenant farmer and laborer; and I cannot doubt that, the moral influence of Landowners may be trusted for forwarding this improvement, by wise liberality, and especially by helping the advance of enlightened education.

The moral influence of landed property is very great in England, and this arises from the feeling of personal respect and the sense of mutual obligation which generally exists between Landlord and Tenant in England, the chief interruption being, our impolitic Game Laws, which must soon be swept away by advancing Education.

The same feeling will arise in Ireland with the progress of improvement in the condition of the people; and, as I never heard of any complaint by Landlord or Tenant about Game in Ireland, I am encouraged to hope that Game will not be a subject of discord in Ireland, as it too often is in England.

In all their miseries the Irish People have kept their native character, with virtues and qualities which fit them for a higher and nobler condition than any they have filled, at least, for many centuries. Nowhere are the affections of home and family stronger or more beautiful than in Ireland. Nowhere is there more love or tenderness than round the poor Irishman's domestic hearth. Nowhere is the hand of charity more freely extended to the poor. Nowhere is the stranger more welcome to share the scanty meal. Nowhere is the marriage-tie more sacred. Nowhere is female virtue more honored.

Amongst the poorest peasantry in Ireland I often met a simple courtesy and grace, which riches cannot purchase and education often fails to impart. In the severest trials of poverty and depression, and under all the inducements of temporal advantages they have never bartered away their faith.

But a false system of government has corrupted the finer feelings and exasperated the naturally fierce and hasty spirit of the Irish People. Without extenuating the faults, which have led to fearful crimes; I believe there are in the Irish nation virtues and

energy enough to rise above all these, under free institutions and self-government. Their love of country may be intense and demonstrative; their hatred implacable, but really unvengeful. Such a people are vulnerable only through their affections.

The sufferings of Ireland may have been mysteriously permitted for some high purpose, which may, at the appointed time, be fulfilled. Sharp and sore trials may train a people to fidelity and endurance, and the poverty of a country may save it from many of the evils which attend on luxury and wealth. Education may lift a people out of the darkness of superstition and priestly thralldom, into the light of that faith which gives perfect freedom, but with it all its responsibilities.

The appointed time of fulfilment we know not, but whenever that may be for Ireland, we may hope it will be the time of her *reformation*, and that Ireland will then be the strength and blessing of the sister land, united with her by the holy bond of the same pure faith. Then will be the time of fulfilment, and the 'Isle of Destiny' will then be, indeed, the 'bright gem of the ocean' and a beacon of light to the world.

We must look to sound knowledge and the cultivation of the higher parts of man's nature to cast out the grosser vices. Vows and mechanical association will not do it. Sumptuary and inhibitive laws will not do it. As far as law can go, there is nothing for it but perfect freedom for buying and selling all that concerns the necessities, comforts, conveniences and decencies of life,—all the free gifts of Nature, without any of the artificial restrictions in the form of imposts. If our Customs and Excise duties were removed, and our licensing system abolished, we should find that, men cannot be made virtuous by Act of Parliament. We must give them knowledge,

and intellectual and moral freedom, by means of Christian education, arming them against not only the demon of drink, but the whole legion of devils, by giving every man the entire possession of himself, in all his faculties.

These are the expressive words, or substance of the words, of Miss Martineau, before quoted, and are here repeated as peculiarly applicable to the present subject.

With a system of taxation that does not touch the wages of labor,—with the abolition of all duties of Customs and Excise, and of every other tax that taxes the laborer in his own labor, the day's wages, in purchasable power, will be increased one-half, if not more, for all the necessities, comforts, and conveniences of life. Every Irishman will then begin to feel that, he has something to lose as well as to win, and that, there is much before him which, by lawful industry, he can and may win for himself and family. But this view will be brought more plainly before every Irish working man when he knows, as he soon will know after the adoption of this new system of taxation, that it is preparatory to the abolition of the Poor Law, when he and his family will be left entirely dependent on his and their own industry for their own support. The Poor Law has been one of England's great afflictions, and its introduction into Ireland has been one of Ireland's great misfortunes. But this subject has been fully entered into in the pages of the 'People's Blue Book.'

No greater service could be rendered by Ireland for her own improvement than by joining England in urging the adoption of this new system of taxation by the Imperial Parliament.

Without the energetic help of Ireland, I have too much reason to fear, from my own knowledge of the

political parties in England that, another generation will pass away before this reform in our system of Imperial Taxation will be entertained by the British Government, or any one will be found bold enough to bring it into public discussion in the British House of Commons. But, to qualify this general remark, I can say that, my late honored friend, Mr. Cobden, expressed to me his unqualified approval of this new system of taxation, and I hope I am not taking a liberty with my honored friend, Mr. Bright, M.P. for Birmingham, in saying that, he entertains the same favorable opinion. I have also great satisfaction in adding that, the late Count Cavour, in a Letter addressed to me by him not long before his death, conveyed to me his unqualified approval, by declaring that, if he should live to see a united Italy, and to direct the Government, he should make this new system the basis of taxation for the Kingdom of Italy.

As I have in the pages of the ' People's Blue Book ' answered all the objections which I have thought worth answering, I shall not enter further into the subject.

I do not see anything to fear for England or Ireland, unless it be in the careless ignorance that hides from us the danger, and prevents us taking those measures by which alone the real danger can be avoided. What we want are statesmen, who have at heart the prosperity of the country, *through and by means of* a united, happy, and contented People. But for this we must also have a ready, willing, industrious, sober and loyal People. So prepared, the British empire has nothing to fear, and these islands are safe from the horrors of invasion.

Dreadful as are the consequences of the crimes of nations, we may believe and hope that, even these are working to some beneficent though unseen end, and that, in the ultimate disposition of human

affairs there is a power that over-rules the schemes of statesmen and the tactics of successful war. Where the Crown is, there is the Sovereign, there is the State. Nothing is irrevocably lost as long as the vital principle of the monarchy is preserved. But, when that is lost, revolution is ever at work, and the reign of anarchy begins.

In this country, if by any misfortune the principle of hereditary monarchy should be destroyed, the golden band, which holds together the British Empire, would be broken. The central force, which makes this nation so great a power would be dispersed. The symbol, which is recognised alike by the free settlers of Australia and by the dusky natives of Hindostan, would be lost. The outlying realms of British rule would recognise no allegiance to the elected rule of the English people, for our choice would not be theirs. As it is, whatever may be the defects of our political and social institutions, Great Britain may boast that, for more than one hundred and eighty years the course of law and the tranquillity of the realm have been unbroken, and that, enjoying as much freedom as any people in the world, she has also enjoyed a degree of internal peace, order, and security to which no other nation can lay claim.

Examples are not wanting to illustrate the value and the strength of the principle of hereditary monarchy; and however seductive the theory of republican election may be to some minds, even the most successful example,—in America,—shows success to be not through, but in spite of that delusive principle. Dynastic law and tradition alone place the representative of the supreme power above every accident, except that of the extinction of his race. The French Revolution in striking down the ancient

monarchy destroyed the tradition and it has not been restored. France has substituted for the real the ideal ; but the name is not the power. A Committee of declamatory lawyers is as helpless as an idol of wood in the place of an efficient lawful sovereign.

In 1760 it was computed that, a quarter of the land of France was held by the peasantry, a quarter by the bourgeoisie, two-tenths by the clergy, and three-tenths by the nobles. The subdivision of the land was regarded as the best remedy for the deplorable condition of the country, and the creation of a peasant proprietary was to be the panacea of the nation. The ideal was that, the land should belong to those who cultivated it. The result was, the destruction of the monarchy and the downfall of the nation. Many other causes conspired to this end, but this was the main cause, which impoverished the country, and in the end overthrew the monarchy with all its most valued institutions.

The Civil Code, which is the root of the democratic social condition of France, limits the testamentary power, and virtually divides a man's property between his offspring in his lifetime, by the indefeasible recognition of their share in it ; thus rendering almost impossible the accumulation of wealth in a family for several generations.

It proscribes, prohibits, and defeats all trusts, settlements, entails, and limitations of real and personal property ; and it favours the two prevailing passions of the people—the passion for equality and the passion for the acquisition of land. The interests of morality suffer ; and the numerical strength of the population is restricted in its natural growth by a sordid view of personal interest. The effects of this check to the rural population of France are sufficiently obvious, and even the physical growth of the race is

stunted by it. Under the operation of these causes and motives, the soil of France is greatly subdivided. Four or five millions of citizens and their families live by the cultivation of their own parcel of land, and in the enjoyment of the political rights connected with it.

The services which may be rendered to a nation by a class of educated proprietors and capitalists, by the performance of the public duties of their station, by the improvement of cultivation and rural administration, and by the local influence of each solicitous for the common interest of those around them, must be in a great measure lost, as they were in France, by the minute subdivision of land amongst peasant proprietors. There is no "public spirit," no improvement, no progress. There is bare subsistence, without independence; poverty without wealth; no savings, and, consequently, no capital. Even on the larger estates in the hands of those who are capable of discharging the duties of a resident gentry, the good offices of the wealthy are regarded with suspicion and hostility, as great perhaps as when those duties wore the invidious form of feudal privileges. There is a chasm between them and the surrounding peasantry, which is rarely crossed; and the peasantry instead of recognising the representatives of their own interests in the gentry, look upon them with suspicion and distrust, and often with implacable hatred as enemies.

To encourage by any law the fatal error that, the land should belong to those who cultivate it, or to assist in the minute subdivision of the land amongst the laboring classes, is the most effectual means that can be adopted for pauperising the country and producing in the course of a few generations a degraded and disaffected population.

Those who seek in the democracy of France the

models they desire to introduce in this country in the tenure of property and the organisation of society, assume that, those reforms were highly beneficial. Undoubtedly it was so in the improvement of the condition of the French peasantry, by liberating them from feudal burdens, which, happily, have no parallel among ourselves. But this was only removing one great evil by introducing another, which stunted the growth of the country, and gradually undermined the monarchy. The change involved the extinction of the social and political influence of the upper classes; for the abuses of the feudal tenures and the vices of the aristocracy had engendered throughout France a fierce hatred of social inequality, and that democratic spirit, so introduced and fostered, has gone on increasing to the present bitter end.

The selfishness of the small proprietors is the basis of democratic institutions. All equal, all sharing one class of interests and passions, intolerant of any superiority of intelligence, wealth, or power, they resemble the atoms of a floating mass. In ordinary times they are industrious and contented, but they are unprepared to meet any emergency, because they are governed by no public spirit or sympathy with public objects. Beyond their own narrow field of vision, they see and acknowledge nothing but the power of the Government, which they are trained to live under as an absolute authority. Should that absolute authority fail in the discharge of its public duties, there is nothing to protect such a people from anarchy or subjugation. Life is so short and the power of a single generation is so limited that, it is only by adding together the efforts of several generations and securing permanence to the results of human labor that great institutions are created. Trusts and settlements, which give permanence to family property, endow-

ments, chartered corporations, and hereditary rank, are all legal contrivances for securing and perpetuating the benefits of successful labor. Thus strength and stability are given to society by creating interests and powers more lasting and comprehensive than those of the present time. They are to the moral energy of man what mechanism is to human force, by preserving and applying what moral energy unaided is unable to maintain. But to all institutions of this permanent nature, the spirit of democracy is opposed. It views with a jealous and hostile eye everything that it cannot control.

It resists permanence as a restriction on personal freedom. It therefore resists and weakens the traditional elements of society and sacrifices the past and the future to the supposed interest of the present. By one system, men are raised to power of short duration; by the other institutions, which should be permanent, are reduced to the uncertain duration of that precarious power. Democratic power is a useful check to the abuses of authority, but is a feeble instrument of government, and under such a government the strength of a nation must fade away.

There is nothing new in these remarks, which are but a very short summary of the views of that clear and long-sighted Frenchman, De Tocqueville, stated by him with admirable precision in the following sentence:—"A people amongst which individuals should lose the power of achieving great things single-handed, without acquiring the means of producing them by united exertions, *would soon relapse into barbarism.*" (Democracy in America).

The principle of the Imperial Government of France was that,—“the more enfeebled and incompetent the citizens became, the more active the Government was rendered, in order that society at

large may execute what individuals can no longer accomplish."

There was the delusion.

The strength of the nation is the strength of the Government. When the nation sinks in energy, morality, and independence, the Government must sink too.

In England everything is organised to give permanence and perpetuity to the relations of life and property. Property is held by one person under innumerable limitations for the benefit of others, not only in the present generation, but in generations to come. Few dispose absolutely of what they possess, unless it be self-acquired. All classes, ranks, and individuals are bound each to each by mutual duties. The land is worked by a combination of the laborer, the farmer, and the landlord. Each is indispensable to the other. The laborer draws his wages independent of the variations of prices and seasons; the farmer is enabled to farm two or three hundred acres with his own capital, which would not purchase a twentieth part of that quantity; the landlord is the chief capitalist, who bears the main risk of the adventure. He has his duties to his family, to his tenants, and to the public. The public funds, and securities of all sorts, are held to an immense amount in trust under family settlements, by which the immediate interests and power of the individuals are checked and circumscribed by the interests and rights of others. This mutual dependence, which exists with reference to property and its uses, runs through every branch of English social life. This is the basis of our credit. This is the secret of our enormous power of association. This is the breath of public life, for it begets a sense of duty to others, and a sense of reliance on others.

With a peasant proprietary the desire to obtain possession is increased by the sense of absolute property. The owner of a small parcel of land becomes selfish and self-contained in proportion to this sense of individual power. The land suffices to maintain and employ himself and his family. He owes nothing to the landlord, and wants nothing from the laborer. His wants and his sympathies are bounded within the limits of his means. He is self-reliant and independent, but he is indifferent to the wants and claims of others, and his sympathies are bounded within the narrow limits of his own desires. This engenders selfishness, and distrust of everything that interferes with it, with utter indifference to the more enlarged interests of society.

The French peasant regards the extreme partition of his property, under the Code Civil, as an evil to be avoided only by limiting the number of his descendants.

He therefore restricts himself to two children, against the interests of morality and the numerical strength of the population.

It is well known that, with this check to the rural population, the conscription drains off the whole natural increase of the country, and the rural population of France is kept almost stationary.

A peasant proprietary, occupying small parcels of land, implies such a subdivision of land as must in a few generations be insufficient for the maintenance of the families living thereon, and capital diminishes as population increases.

These inverse relations being proportionate and slow, the effect is gradual and slow. But the ultimate effect of this operation must be, as emphatically stated by De Tocqueville, "a relapse into barbarism."

These remarks will be, I know, unacceptable, if not offensive to many ; but I entreat the People of Ireland not to think that, I am presuming to give them a moral lecture, when I am offering them only proved political results drawn from the history of all the fallen empires of the world.

The truth here brought out, like the moral of a Fable, is drawn from the experience of all times over the whole world.

I entreat the People of Ireland to receive this as a political truth of the deepest importance to them, and to apply it to whatever is the least congenial with their own views in these remarks, for I have reason to know that, these remarks have met with a reception from some in Ireland very different from what I had expected or intended.

I have no personal or other ties in Ireland. I am of no political party, and I have no confidence in any Government. But I believe any Government to be better than no Government, and that to be best, which is conducted on the principle of equal justice ; and I hold it to be an axiom of political justice that, *no laborer should be taxed in his own labor.*

I believe this principle of equal justice, carried out in Ireland, would do more than all that has ever yet been done for Ireland.

I think that, the British Parliament committed a great error in the "Irish Land Act."

If, instead of confirming the old and injurious custom, known as the Ulster tenant-right, brought into Ireland, more than two hundred and fifty years ago, by one of the meanest and weakest of our Kings, and since spread in endless variety of forms over Ireland,—if, instead of confirming these injurious infringements on the rights of property, the legislature had removed them all, and at the same time all

the taxes upon the wages of labor, the mutual interests of landlord and tenant would have been their best protection, and this dangerous tampering with the rights of landlords would have been avoided. Throughout Ireland I never heard a word in approval of this measure. The Ulster tenant-right I heard approved of by tenant-farmers where that custom prevailed, but I never heard it approved of by landlords, and, I believe, that custom had never before been recognised as a right by law. It was a custom introduced nearly three centuries ago by a weak alien King, to carry out, by violent and unjust means, the settlement of new races in that part of Ireland.

To get rid of an evil state of things, a far greater evil has been introduced into Ireland by a false principle, which threatens the very foundation of property, not only in Ireland but, by example, throughout the whole united kingdom, multiplying and keeping open the breaches between landlord and tenant by interminable law suits.

As far as my opportunities of observation went, there is not the smallest ground for attributing prosperity in any part of Ulster to the *tenant-right*. On the contrary,—wherever there is prosperity in Ulster it is *in spite of* this custom. . . Ulster in the county of Down shows great prosperity, but Ulster in the county of Donegal shows misery on the level of nakedness and starvation. And so in other parts of Ulster where this tenant-right exists. There was no record for it; nor was the custom of sufficient antiquity to give it the validity of a common-law right. In a legal view there was no title, until title was given by the recent Irish Land Act.

Even if the right existed, it was against the policy of the law to perpetuate such a claim, and not only was a most serious injury thereby done to Ireland, but

to England also, and the whole kingdom, by such a precedent against the constitutional right of property.

These foolish and injurious customs take away all inducement from the land-owner to improve his estate, because all control is taken from him. He becomes a mere receiver of a fixed and unimproving rent; and whilst every kind of property in the country is improving, his estate or property in the soil knows no improvement. The control of the estate being taken from him, it is not in his power to carry out an improved system, however much he may wish to do so.

The Legislature should encourage Leases by taking off the stamp duties, and should facilitate the means of enforcing the due performance of covenants in leases at slight expense;—thus encouraging land-owners to give Leases for twenty-one years,—a term sufficiently long to enable a tenant to repay himself for any reasonable improvements on the land and buildings.

If the tenant will not improve under such a Lease, then the landlord is not to blame. But according to the motives which usually actuate human nature, the tenant would then improve.

The Land-owner would then be the Landlord without the middle man, and the landlords' and the tenants' interests would then be the same.

It is absurd to suppose that, any tenant would lay out money in improving the land, or in building, as a mere tenant-at-will, without any security for being repaid.

I leave my readers to apply these remarks for themselves to Ireland; and to answer for themselves, whether the growth of democracy in France has given greater union, force, and power to the Nation and to the State.

With all her advantages of position, soil and

climate,—with a native race equal to the highest in the scale of human beings,—Ireland is divided and discontented, and, in many parts, in a state of chronic misery bordering on destitution. The dreary Irish statistics, from time to time brought forward, serve only to show Ireland a little more or a little less miserable than usual.

In the meantime her People are rushing away by hundreds of thousands from their miserable homes to seek happier homes in other countries, and the strength of Ireland is departing with her People.

Under good government and equal justice in all the relations of life, the moral influence of property will as surely prevail in Ireland as elsewhere. Against this influence the power of the priesthood will be harmless in temporal affairs, and the priests, if let alone, will confine themselves to their own duties in matters spiritual. When the people attend to their own temporal affairs and have the good sense to prevent their spiritual advisers from interfering, all will go on in harmony together, and the hostile spirit of parties in Ireland, no longer excited and aggravated by the ill-judging zeal of the Orange party, will gradually disappear.

In the professed objects of the Orange Institution I entirely agree, but the objects have not been advanced by these Institutions. All such exclusive Associations are wrong in principle and injurious in practice. One Association provokes another, and thus religious factions spread. Ribbon Associations, which are secret societies of assassins, are Roman Catholic Organisations against Orange Societies.

In every part of the habitable world where the power of the Roman Catholic Priests has prevailed, temporal prosperity has been blighted, and in proportion to the diminution of that power has been the

progress of improvement in the worldly condition of the people. In the north of Ireland, where the people find profitable employment and sufficient food, the power of the priests, in comparison with other parts of Ireland, seems to be very small, and this power, at least over temporal affairs, must gradually become smaller until it disappears, as liberal and enlightened Christian education advances.

And what are these observations, but a commentary on passing events in Ireland?

Where was the influence of Father Conway, P.P.—once so powerful in Ireland—at the recent election of a member of Parliament for Catholic Galway? Not even the appearance of Father Conway before the public, after the election, with a basin of water, and washing his hands before the people to acquit himself of this “*guilty job*,” could save him from the contempt even of his own flock! And what was this guilty job? The election to Parliament by the constituents of Galway, without a contest, of Mr. Mitchell Henry, a Protestant Gentleman, whose munificent and judicious liberality and kindness as a landlord has endeared him, not only to his own tenantry, but to the whole people, as their friend.

When passing through the wilds of Connemara, I was struck with his magnificent domain and newly erected Castle of Kylemore, then nearly finished. He was a stranger to me and my party, but we all stopped and were kindly permitted to inspect the Castle, the Gardens and the Pleasure Grounds, and for grandeur of design, beauty of execution, and picturesque effect of the whole in that wild region, we saw nothing to compare with it in all Ireland.

But my inquiries of the people in that part of the country were chiefly,—‘Who is Mr. Mitchell Henry?’ The answers were all to the same effect:—‘He is our

great landlord and our friend. If we had a few more such landlords, how different would Ireland be'! This is the man whom Father Conway condemns, and then, with irreverent mockery, washes his hands to acquit himself of the guilt.

If the People of Ireland would receive—in the spirit of the offer,—the advice of a stranger who knows little of Ireland, but something of its history, and has seen much of the world,—let alone the Priests:—treat them tenderly, but deprive them of all power of interference in temporal affairs.

No Priests, of any denomination in any part of the United Kingdom, should be admitted into the Magistracy or permitted to exercise civil jurisdiction in matters temporal. In time it will come to this, and then the Ministers of religion, of all denominations, will be respected according to the performance of the duties of their faith.

An Imperial Parliament can never exist in Ireland, as long as an Imperial Parliament exists in England.

But with internal peace and united action for the common good, the trade of Ireland would revive and fresh capital would flow in.

The great natural resources of Ireland would be developed, and emigration would cease with the increased demand for labor.

The wages of labor would soon be doubled and destitution in Ireland would be no longer known.

The face of the whole country would be changed, and the People would be changed with it.

Literature, the Arts and Sciences, now perishing by long neglect in Ireland, would revive with her renewed strength.

New Institutions would foster and encourage the genius of her People, and new Associations would open new fields of industry and wealth.

It does not come directly within the scope of the subject of these pages to suggest remedial measures for the suppression of the atrocious outrages, which are of not unfrequent occurrence in many parts of Ireland, but I will avail myself of this opportunity for making a few observations, which I have for many years past urged upon the attention of the British Government and the Public.

My proposal is, to empower the Lord Lieutenant of Ireland, on his own responsibility, to suspend the Writ of *habeas corpus* in any proclaimed district in Ireland, where any murder or agrarian outrage has been committed, and follow the suspected criminal or criminals into any part of the United Kingdom.

It is a mockery of justice to give power to magistrates to examine persons who could give evidence on oath, and bind them over to give evidence at the Assizes, without also giving power to the chief magistrate to protect those persons whose lives are endangered by giving their evidence.

It is not to be expected that, the poor ignorant men and women who, in most of these cases, are the only witnesses, would give their evidence to insure conviction, at the imminent risk of their own lives, and against which risk the government has no power to protect them.

The consequence is, these atrocious criminals have four chances of escape:—the chance of not being caught; of witnesses fearing to give evidence; of the Jury not convicting on the most conclusive evidence of guilt; and, if convicted, then of misplaced mercy.

These associated bands of murderers are individually well known to the police, but the Peace Preservation Act (1870) gives no sufficient power to the police to lay hands upon them, and when they are arrested the

magistrates are unable to inflict the penalties of the law for want of evidence.

These secret Societies, the members of which are bound together by unlawful oaths, punish by assassination every breach of their rules, either as regards landlord and tenant or as regards employer and employed. By such means these societies have succeeded in putting their own edicts into the place of the law of the land. They exert such power that, no landlord dare exercise the commonest rights of property, no farmer or other employer dare exercise his own judgment or discretion as to whom he shall employ. The mere fact that, a man is known to belong to the society secures him against competition whenever he is seeking for work. The organisation of this conspiracy is so perfect that, the powers vested in the police for the detection and prevention of these secret meetings are of no avail.

To a country in this state there can be no prosperity. But it is a mistake to suppose that, all these horrors spring from the starving people. Many well-to-do farmers are engaged in them. They have for their object a system of terrorism, which shall set the law and the rights of individuals at defiance, and they are directly encouraged by the Repeal agitation, which is really High Treason in disguise.

I heard it from many, and I believe the account to be true that, the small farmer expects that, if he get Repeal he will get possession of his land without paying rent to anybody. Under this impression terrorism is encouraged, which resists not only ejectment from land, and the payment of arrears of rent, but forbids the turning away of a servant, resists the payment of debts, prevents the giving of evidence, and punishes the assertion of every right with violence or death, which is almost invariably carried out.

In this state of things, who can wonder that, capital will not come to Ireland, that landlords will not live in Ireland, that Ireland does not prosper?—Courageous resistance carries with it no sympathy, but marks out the victim for further attack by the cowardly ruffians. It is not uncommon, I was told, to see men going about their daily affairs, in many parts of Ireland, guarded by the police.

It is vain to hope for prosperity in a country whose working men, farmers, schoolmasters, agents and landlords are obliged, whilst following their vocations, to have their lives protected by policemen.

In vain will be all attempts for the improvement of Ireland until security be established for life and property, and every Irishman who opposes the measures of Government for this object should be looked upon as an enemy of his country, for these are the men who, under the pretence of patriotism, are exciting and keeping up the spirit of outrage, the curse and ruin of their country.

I believe, at no period of past history was a cordial union between England and Ireland so important for the welfare of both countries as at the present time; and, certainly, there is but one feeling of sincere desire in England to satisfy every reasonable wish of the Irish People, consistently with the true interests of both countries.

There never was a time when the united strength of England and Ireland could be so effective as at this present time, for the permanent welfare of both countries.

There never was a time when England and Ireland wanted each other's help, as they want it just now, for their mutual benefit.

There never was a time when England was so willing and so able to make all just concessions to Ireland as now.

There may never again be such an opportunity, as there is now, for establishing a real union between England and Ireland on the sound basis of mutual interests.

We see the spread of infidelity from the monstrous absurdities of pretended philosophers, drawn from their pitiful researches into the scattered fragments of earlier creations, out of which they form their impious theories for the degradation of the human being,—whom “God created in His own image,” and into whom “the Lord God breathed the breath of life, and man became a living soul,”—and for the denial of all the blessed hopes derived from divine revelation.

We see, keeping pace with the absurd and daring theories of these godless philosophers, the spread of opinions destructive of all reverence for and obedience to constituted authorities, threatening the overthrow of order and the substitution of anarchy, with the total disruption of society, as if to give some color of truth to the theory of these false philosophers, by making men act more like monkeys than like men. Fortunately for the world, the lordship of fire is reserved to man, for if monkeys knew the use of fire they would set the world in flames.

We have present to us the inevitable result in the overwhelming ruin upon a neighbouring nation, which, only a few months before, was supposed to be the most wealthy, most prosperous, and most powerful in the world.

We see all this going on before our eyes, and we look on, indifferent spectators, watching with idle curiosity the course of the hurricane, which is speeding towards us.

All the preparation we want is, the drawing together of our own People in a firmer bond of union.

There never can be a united people where there is

an unjust interference with those natural rights on which their social welfare mainly depends.

Nobody thinks or says that, all are equally endowed by Nature, but nobody can deny that, the free gifts of Nature were intended for the equal benefit of all, and that, human laws have interposed to prevent such intention from being carried out.

It is written:—"The fear of God is the beginning of wisdom." But where is the fear or the wisdom in interference with this beneficent design?

It is the want of that fear, which turns the wisdom of the wise into foolishness.

By far the greatest portions of the human race in all countries have no other worldly possessions than their brains, bones, and muscles, and on these they are dependent for their daily subsistence.

By the exercise of these personal gifts they acquire, what may be properly called, a vested right to a share in the free gifts of Nature, sufficient for existence and life's enjoyment.

This is obviously the divine will and intention.

But man, who is permitted to exercise his own free will, has over-ruled that beneficent design.

The divine will was expressly declared to the first man, for all his race.

"By the sweat of thy face shalt thou eat bread."

But the human law came afterwards and declared:—"By the sweat of thy face shalt thou eat bread when thou hast paid the cost, including the tax."

Almost every necessary, comfort, and convenience of life has been taxed in addition to the first cost,—
"the sweat of the face."

On many of the free gifts of Nature the tax still remains.

The tax enhances the market price to the consumer on some articles from 50 to 100 per cent.; on others

from 100 to 200 per cent., and even to 500 per cent. and upwards. Of these, to the working-classes, the following may properly be called "necessaries of life," viz. : Sugar, Tea, Coffee, Tobacco, Barley for Malt, Beer, Wine, Spirits, to say nothing of the luxuries, comforts and conveniences of life.

All these, the free gifts of Nature, are taxed to an amount so far enhancing the market price as to place them only to a very limited extent within the reach of a large class and entirely out of the reach of a much larger class of the People, and the amount paid into the Exchequer is less than one-third of the amount so taken out of the pockets of the consumers.

From the amount collected, before it is paid into the Exchequer, is to be deducted the Cost of Collection,—an unascertainable sum;—then misappropriation,—another unascertainable sum;—then fraud,—another unascertainable sum. The per-centage of loss, in the aggregate, on these sources of the revenue, is, of course, incalculable, but considerable.

The amount taken out of the pockets of the consumers, in addition to the duty, is the interest, at the rate of 5 per cent. on the advance of the duty. In addition to this is the 10 per cent. for profit, charged by each party through whose hands successively these articles pass; that is, from the manufacturers to the wholesale dealers, and from the wholesale dealers to the retailers, all of whom must have their charges to cover the additional charges already made, as well as their charge for profit, sufficient to cover losses and risk of bad debts.

All these charges are paid by the consumers in addition to the duty.

These are the direct consequences, and are calculable with tolerable accuracy.

The indirect consequences are, the loss and injury

to Trade. These are incalculable, though I have made the attempt, in the pages of "The People's Blue Book," to calculate some of the consequences.

These taxes fall with unequal weight on rich and poor, and as the poor constitute a very great majority of the whole population, these taxes are paid chiefly by the poor.

In this way the poor are made poorer, until they become paupers, and with the continuance of this system is the increase and spread of pauperism and the increase of the Poor Rate, the whole of which is ultimately paid by the Landowners, however levied in the first instance.

From long and careful investigation of the Government Accounts and the best authenticated statistics, I have stated and, moreover, proved by these official documents, as shown in the pages of "The People's Blue Book," that rather more than two-thirds of our Customs and Excise duties are paid by those who gain their livelihood by the sweat of the brow.

I have for many years presented this fact as the shame of the Government and the disgrace of the People, for the Government governs only by the will of the People.

I present this fact as the great danger in the distance, which threatens the country,—the monarchy, the constitution, and the well-being of society.

I present this fact as tending to these inevitable consequences in the course of time.

Poverty, bordering on destitution, is on the increase in every part of England, Wales, and Scotland.

In many parts of Ireland poverty has passed over the border and is in destitution.

Under the existing state of things, in a few years hence, the natural increase of population must enlarge the borders of destitution throughout the kingdom.

But will the People then abide quietly in the misery of destitution ?

Will the People, without property, leave the owners of property in quiet possession and peaceable enjoyment ?

Will they be content to contribute one-half of their wages of labor for the maintenance of our army and navy, our high officers of State, and State pensioners ?

Will they be content to make this self-sacrifice to maintain the magnificence of monarchy ?

I cannot answer these questions ;—nobody can.

But it is prudent to begin in time to avert any tendency to these evil ends.

What folly for a man to do that, which he must certainly undo, or be undone for ever !

What folly for a man to neglect to do that, which, left undone, must certainly be his ruin !

What, if the time should come when a starving people seize the property of others and defy the law ?

What, if the tenant-farmers and peasantry of Ireland rise up as one body and divide amongst themselves the land of their landlords and masters ?

Is it not wise to prevent such an attempt, by doing in good time that which is right in common justice, according to common sense ?

It is true that, such an attempt, if successful, would only make their ruin more complete and hopeless ; but what is the use of talking political economy to ignorant and starving people. They know they are starving, but they do not know why. I am now telling them why, but I would not tell them if I had confidence in any Government.

I tell the working-people of the whole kingdom that, they are unjustly treated by being made to bear more than their fair share of the burdens of the

State, at the expense of the health, comfort, and well-being of themselves and families.

But I am telling them this not for their own sake more than for the sake of the lords of the soil, and I am telling them only what the Rev. Dr. Chalmers told them many years ago in these words :—

“If the whole of our public revenue were raised by means of a territorial impost, it would ultimately add nothing to the burden which now lies on the proprietors of land ; for they, when fighting against such a commutation, are fighting in defence of an imaginary interest. What a death-blow would be thus inflicted on the vocation of demagogues ! What a sweetening influence it would have on British society, after the false medium was dissipated, through which the high and the low now look on each other as natural enemies ?”

Such a political economy as this, had it preceded, would also have superseded all these tempestuous politics, which brought about the abolition of the Corn Laws, against the will of nearly all the Landowners of the kingdom.

As one of the few Landowners who lent a helping hand to that great act of justice to the working-people, I claim the right to be heard on the present question.

Having given the words of Dr. Chalmers, I will now give my own words from ‘The People’s Blue Book,’—and here they are :—

“This is the enlarged view, which should be taken by statesmen in directing the legislation of this country, and if this principle were firmly relied upon and fully carried out, the results would soon dispel all fears for the consequences, and then all classes would soon find out that, their true interests were identically the same and inseparable.

“ If the landed aristocracy, instead of their blind resistance to all change,—or, as they called it, *innovation*,—and their tenacious adherence to what they imagined, but falsely imagined, to be their own indispensable interest, had paid all taxes, and left all trades unfettered, so far as human actions can be calculated upon by human motives, it may be confidently said that, no political sacrifice would have been required of them, and they would have remained in the undisturbed possession of their natural and rightful inheritance, as lords of the Commonwealth.

“ But the democracy of England, fired by a sense of injury, made head against them, and wrested from them by force, what ought to have been freely and willingly conceded in the spirit of an enlightened policy. May the landed aristocracy take warning from the past, for the protection of their natural and lawful rights for the future ! There lies yet before them a noble field of improvement in rightly shifting the burden of taxes, in emancipating trade, and that without reserve or limitation ; above all, in providing—amply and liberally providing—both for the Christian and literary Education of the People.”

Landowners may be usefully reminded of this warning, the signs of the times being far more portentous of evil to them now than when this warning was first given to them, fifteen years ago.

As education advances and the masses of the working-people better understand their natural rights, and can fairly compare these with such rights as the law allows, it is not to be expected, nor is it to be desired that, they should continue to allow the greatest part or any part of the revenue of the State to be extracted from the Wages of Labor.

Certainly, if this system be persisted in many years longer, it will not be with impunity to the

Landowners, who are already marked out by the present Government as victims to calm the rising outcry against the annual Thirty-six millions sterling for Local Rates.

Why *realised* personal property should not bear its fair proportion of local rates as well as land and houses, is a question which ought to be answered to the satisfaction of the Landowners before further burdens are put upon land and houses.

But if the Landowners wait in any such expectation, they will certainly miss their opportunity.

A prime minister with a majority of a hundred at his back is not likely, of his own free will, to open a question, which would certainly turn that majority against him, and turn him out of his place; for certainly, nearly every English, Welsh and Scotch Landowner would vote against him.

If the object were to relieve the poverty of Ireland and to make the Irish a contented people, nothing can be more simple. But for this object no statesman, of either party, will incur the risk to his position as a minister, by an attempt to make the necessary changes in our fiscal system, and in no other way can this object ever be obtained for Ireland.

It is generally known and admitted that, the land of every country is the real and substantial basis of its wealth as a nation.

But it is generally denied that, the land and the *realised* personal property are the real ground-work of taxation for the support of a nation, by an equal per-centage rate on the market price or value of the yearly produce. It is not so laid down by Adam Smith, in his 'Wealth of Nations,' and that great work is to be the authority against advanced knowledge from nearly a hundred years of subsequent experience!

The revenue of 10 per cent.,—as shown in ‘The People’s Blue Book,’—would yield an annual revenue to the State of between seventy and eighty millions sterling.

It is also shown that, the effect of this property tax, in substitution of all other Imperial stamps and taxes,—except Postage stamps,—would be to reduce very greatly the existing burdens on land and houses, and to raise the general rate of wages throughout the kingdom. Another and most important effect is also shown, in the gradual diminution of the Poor Rate, and the ultimate abolition of the Poor Law.

All the attempts of the present Government to relieve distress in Ireland have completely failed, either from misunderstanding the cause of distress, or from unwillingness to apply the only effectual remedy.

The same cause is operating in the same way in England, Wales, and Scotland, as in Ireland; the only difference being in the greater counteracting forces in Great Britain than in Ireland, which prevent the effects being so clearly visible in the one country as in the other.

Pauperism is visibly and largely on the increase, and, under the present system, it is impossible that it should be otherwise with an increasing population, without the possibility of any increase of land.

No temporary prosperity in trade,—no occasional extraordinary harvest,—can materially alter this inevitable consequence, as long as the wages of labor are taken by indirect taxes to supply the necessities of the State.

The system, so radically wrong, is drying up the resources of the country,—pauperising the whole kingdom,—and demoralising the population.

In the end,—may be in a long course of years,—a great portion of the rents of land and houses

must be swallowed up by the Poor Rates, and all the land of inferior quality must be thrown out of cultivation; or, before this comes to pass, an infuriated people will rise up in force and help themselves to a more equal division of the land and houses and property of the kingdom. All these consequences may be expected as the ultimate end of persistence in the present system, and it is only a question of time.

This is no wild prophecy, but calm reasoning from cause to effect, confirmed by experience. We read of it in the history of the past, and we see it in the events now passing before us in the neighboring kingdom of France.

Why should we not in good time take precautions for avoiding like events in our own country? Even animals learn to avoid that by which from experience they retain a sense of danger. As Horace said,—and for the benefit of the country-gentlemen whom I am now specially addressing I give it in English;—‘The wolf cautioned by experience dreads the pitfall, the hawk suspects the snare, and the pike the covered hook.’

I am showing Irish Landowners how to avoid the pitfall, the snare, and the hook.

The only practicable industry in Ireland is the cultivation of the land, and the free and untaxed use of all its produce. But Malt and Spirit duties block the way, and British Statesmen are determined to starve down or starve out the surplus population. They think it enough for Ireland to make it a mere grazing country, and so they keep up the enormous penalty on the four-course rotation, destroying the chief crop,—barley,—by their 70 per cent. excise upon it.

The Government that undertook to satisfy Ireland has signally failed, from not understanding the re-

medy, or not applying it, and applying wrong measures, which have satisfied no party, but caused the greatest distrust in all parties;—distrust of each other and distrust of the Government.

The remedies of the present Government, instead of being remedial, have greatly aggravated all the previously existing evils by increasing the malignant feelings between parties and turning the activity of men to mischief, instead of encouraging their employment in production of commodities, as food and fodder, and other convenient articles of commercial value. Instead of encouraging these industries,—for which Ireland is so peculiarly adapted and through which alone peace and prosperity can ever be established in Ireland,—all the fiscal impediments, fatal to prosperity, have been maintained, and a breach of faith with the Church of Ireland has spread discord and distrust instead of peace and confidence.

Labor in Ireland, which ought to be expending itself healthfully and producing plentifully for the welfare and contentment of the people, is converted into hatred of her rulers and disaffection to British rule, or any rule of social order.

This is what the present Government has done for Ireland, and this mischief is what the educated and intelligent landowners and loyal people of Ireland are now invited, by temperate and lawful means, to repair.

But though differing with Mr. Gladstone, as the head of the present Government, in his measures of relief for Ireland, I should be very sorry if any expression of mine were open to the inference that I doubted his good intentions for Ireland, or the greatness of his intellectual gifts. I fully acknowledge all these, with the highest sense of his services to his country, by preserving, with honor and dignity, the peace of Europe, and laying a safe foundation for the

re-organisation of our army, by the abolition of purchase.

But I regret to have differed with him from first to last on all his measures for the relief of Ireland, on grounds political and moral.

His first measure, the abolition of the Irish Church, was unconstitutional, and brought much disaffection, but no relief whatever.

His next measure, the complicated and difficult Land Bill, was wrong in principle, and has brought no relief to Ireland, but will bring much litigation.

Both these measures were misdirected efforts, and have left the real Irish question untouched. But look at the mischief that follows. The Irish question is in this way made a precedent for unsettling, one after another, all the most valued institutions of the country.

In Ireland the whole agricultural body, consisting of landowners, tenant-farmers, and laborers, is subject to a heavy tax, which compresses and limits the productive power of the land. The regular, most productive, and most profitable way of farming is as good as prohibited. The four-course rotation is rendered impossible, as proved by the statistics. Barley and turnip lands pay in Ireland the same amount of excise on the grain produce as in England. This amounts to nearly £5 an acre on medium land. Every quarter of malting barley pays 21s. 8d. The consequence is, the greater part of Ireland is kept out of cultivation.

Hence the large number of grazing farms employing little or no labor, and the small number of arable farms paying wages. Hence the innumerable small holdings and mud cabins, the non-employment and starvation of the peasantry, whose wages, when employed, are only 6s. to 8s. a week. These are the direct and indirect results of excised and arrested agriculture.

Here is the crop of evils and here are the morbid growths of the Irish question; all moving in a vicious circle round Mr. Gladstone's alternative—"starvation or emigration."

For this state of things the Government and the Legislature are alone responsible. The people are ignorant of the real cause of their physical and social miseries. They only know they suffer, want bread, and have no means of living. They are driven to the wall and faced by coercion bills. If our statesmen cannot or will not apply the proper remedy, how can the parties themselves be required to do so?

The grounds of Irish misery have never been clearly stated in Parliament. They are neither religious nor political. They are physical and agricultural.

The Irish People want work, wages, and food. They are deprived of those by law; and Parliament prescribes for their relief the abolition of the Protestant Irish Church!

This failing, the State physicians make another guess at the true diagnosis of the suffering patients' case, and prescribe a Land Bill, which leaves the system, with all its evils, just as it was, taking a bit from one and giving it to the other, thus perpetuating and aggravating the existing system of bad farming and small holdings, and encouraging litigation between landlord and tenant without doing good to either. It misses altogether the real causes of the destitution and misery of Ireland, the non-employment and low wages of the agricultural laborer, the small holdings and small profits, the bad system of farming, and the disproportionate quantity of the best land laid down to grass. There is an overflowing population and very little tillage to employ them.

Nearly all the crimes that are committed in Ireland

are agrarian, the outbreak of a strong feeling almost universal in Ireland, because proceeding from a cause almost universal,—namely, want of employment and consequent starvation, or that extreme degree of distress which drives men to desperation. That is at the bottom of all the misery of Ireland, and that is the cause of “Ribandism,” under whatever name it assumes. I saw it stamped upon the faces of men, women, and children, in most parts of Ireland. I don’t know what they call it in Ireland, but in England, it would be called “Starvation.” I heard it in the ring of their reckless laughter. I felt it and understood it as I never could have felt it and understood it if I had not seen and heard it. I felt shame and pity; but the shame was all for England,—the pity all for Ireland.

The chief blame of all this has been thrown on the landlords. How that may be I do not know, but the answers to my inquiries, wherever I went in Ireland, were anything but confirmatory of that charge. The impression with which I left Ireland was that, cases of unjustifiable eviction were exceptional; that, the landed gentry as a class,—excluding from my remarks one or two of the Land Companies,—have not behaved badly under the peculiar circumstances of their position, and that, they have not been generally wanting in the performance of their duties as landlords.

Productive labor is the source of all wealth, and as the amount of the productive labor of any nation or community is increased or diminished, so must be the proportion of its wealth. Consequently, everything which tends to promote productive labor tends to the creation of wealth; and everything which tends to paralyse productive labor as certainly insures poverty. As Adam Smith says:—“The annual labor of every nation is the fund which originally sup-

plies it with all the necessities and conveniences of life which it annually consumes, and which consist always either in the immediate produce of that labor, or in what is purchased with that produce from other nations."—"Labor was the first price, the original purchase money, that was paid for all things."

The demand for labor in Ireland bears no proportion to the supply. The surplus population emigrates or perishes, and either way Ireland perishes; for what can a country do when its strength is gone, and with it the power of accumulating capital, which is only the savings out of annual gains?

"The demand for those who live by wages necessarily increases with the increase of the revenue and stock of every country, and cannot possibly increase without it. The increase of revenue and stock is the increase of national wealth. The demand for those who live by wages, therefore, naturally increases with the increase of national wealth, and cannot possibly increase without it."

So says Adam Smith.

What says the Chancellor of the Exchequer?

Does he take this admitted rule in political economy for his guidance?

Look at Ireland.

The want of capital confines productive industry to the land. By a law of nature population increases; but the land does not increase. The produce of the land is limited, but the increase of population is unlimited. When confined, as in Ireland, to the produce of the land for subsistence, that produce must be consumed as population increases, until the whole amount of the limited produce is consumed by the increasing producers.

In this state of things, wealth cannot increase, nor capital accumulate to afford other means of employ-

ment. Hence arises, as in Ireland, intense competition for land (the only means of subsistence), want of employment, starvation, discontent, and disturbance. Disturbance carries with it insecurity, and insecurity drives away capital, the only remedy for the evil.

This is the state of Ireland, further aggravated by duties of Excise and Customs, which stop the demand for productive labor, and at the same time hasten the progress of starvation, by enhancing, on a prohibitory scale, the prices of nearly all the necessaries, comforts, conveniences, and decencies of civilised life.

Such are the inevitable consequences of disregarding the rules of good government, and how much longer the Irish People will submit to be governed by a British Parliament, which has for so many centuries proved itself to be incompetent or unwilling to govern Ireland according to Irish interests, is only a question of time. One thing is certain,—this state of things cannot last many years longer.

There is no use in saying,—Ireland is improving,—when Ireland is still starving. There is no use in the British Parliament trying more experiments after all the failures of past centuries.

Ireland must and will now try her own experiments. Any attempt to prevent it will only make matters worse. When the power of stopping run-away horses is lost, it is wise discretion to confine the attempt to guiding their course. In this way only can mischief be prevented, and failure then will not be England's fault.

Ireland is only an agricultural country, and offers the finest field for the exercise of skill and the employment of capital. Capital might be invested on land in Ireland with far greater profit than on land in England.

Spenser's account of the actual state of Ireland,

is as true at this day as when he wrote. He thus describes the capabilities of the country :—

“ And sure Ireland is yet a most sweet and beautiful country as any is under Heaven, being stored with all sorts of fish most abundantly, sprinkled with many very sweet islands and goodly lakes, like little inland seas, that will carry even shippes so commodiously as that, if some princes of the world had them, they would soon hope to be lords of all the seas, and, 'ere long, of all the world ; also full of very good ports and havens opening upon England, as inviting us to come unto them to see what excellent commodities that country can afford ; besides the soyle itself most fertile, fit to yielde all kinde of fruit that shall be committed thereunto. And, lastly, the heavens most mild and temperate, though somewhat more moist than the parts towards the east.”

Lord Bacon has written in the same terms of “ the many dowries of nature with which this Island is endowed.”

With such natural capabilities it is impossible to account for the destitution and misery of Ireland but through mis-government.

The forced idleness and starvation of the peasantry, the miserable condition of the small farms, and the devotion of the best land to grazing purposes, are all accounted for by the simple fact of the excise tax of 70 per cent. on the chief crop of the four-course rotation. For this the Government and Legislature are to blame, not the Landowners.

The original Statistics of Ireland show that, the total acreage under all Crops in the year 1870 was 5,642,556 acres, and that the acreage of Barley in the same year was only 240,952,—of Wheat only 260,914,—and of Oats 1,648,764 ; but in Potatoes, the acreage was, in the same year 1,043,788, and of

Turnips 339,059. Such are a few of the results out of, in round numbers, about 15,000,000 of acres of good land in Ireland.

I cannot give with satisfactory accuracy the present quantity of acres in grass, but according to the Return of Agricultural Statistics for Ireland in the year, 1868, the statement was as follows:—

Permanent Grass . . .	10,003,918 acres.
White and Green Crops .	5,547,335 „
Bog and waste land . .	4,423,340 „

Total . . 19,974,593 acres.

These facts are sufficient to show the enormous disproportion between the arable and grassland in Ireland.

The acreage in Oats is some guide to an estimate of what would be the cultivation of Barley in Ireland under a free system, the soil and climate being more suitable to that growth. But Irish Oats are not considered to be of the finest quality, and they fetch a lower price in the market than English Oats, though this may be accounted for, in some degree, by the careless manner of sending the Irish Oats to market with a mixture of dirt and grit.

It must be evident to all persons experienced in the cultivation of land that, the farmers in Ireland cannot afford to employ much labor when the produce of tillage farming is so heavily taxed.

In other countries, in Holstein, in Holland, in Denmark and Germany, great profits are made by feeding stock, with the aid of malt, for the London market; but our Government has said to Irish farmers,—‘if you do so you must pay us £70 on every £100 worth of barley grown on your farms.’

Why should not Ireland feed as well as breed stock, and pocket the profits now pocketed by Holland, Denmark, and Germany?

It is only the Malt Tax that prevents it.

Proh pudor ! The Irish just want this malted barley to give their potatoes and linseed the highest feeding quality, but we hold fast and refuse to let them have it.

The climate of Ireland, from too much moisture and too little summer sun, is not suitable for growing wheat with profit, and the best paying crop, barley, for which the climate is better suited, is taxed 70 per cent., and the pernicious operation of the tax is aggravated by levying it at the point of production, so that consumers pay more than 200 per cent. prime cost.

The pressure of the duty increases at every stage of the trade and manufacture in about the following proportions :—

The Maltster, paying the tax of 21*s.* 8*d.* requires 5 per cent. interest and 10 per cent. profit for this portion of his capital invested, and charges his brewer 24*s.* 11*d.*; the brewer, requiring also 15 per cent. upon this expenditure, charges the retailer 28*s.* 8*d.*; and the retailer recovers from the consumer this amount with 10 per cent. added for his profit, making the total tax paid by the consumer 31*s.* 6*d.* for 21*s.* 8*d.* actually accruing to the revenue. Thus, according to this estimate, the amount of malt duty paid by consumers is £9,425,000 for £6,500,000 received by the revenue, showing an absolute loss of £2,925,000, or 45 per cent. upon the duty collected.

The four-course rotation of crops in Ireland is nearly annihilated by this enormous tax on the best paying crop.

These facts are established by the Report of the Select Committee of the House of Commons on the Malt Tax in the year 1867.

The following is an extract from that Report:—
“Taking the price of barley at 31*s.* a quarter, the tax

when paid by the maltster is 70 per cent.; the person who buys malt and brews beer from it pays a tax of 100 per cent.; and the person who buys beer by retail in a public-house pays a tax of 140 per cent. Your Committee are of opinion that the principle on which this calculation is based is correct, and that the consumer of beer pays a very much heavier tax than goes into the exchequer."

If the malt-tax were off there would be some rise in the price of barley, and the price of medium malting barley may be taken at 40s. the quarter. In malting it will be nine bushels of malt, and the extra bushel will pay for the malting. But when brewing becomes free by the repeal of the malt-tax, brewers will take advantage of *diastatic** malting, which requires only one-third or one-fourth of malt, the rest being comminuted barley. The difference between crushing and malting on three-fourths of a quarter may be taken at 2s. 6d., which being deducted from the credit side of the brewing, the rest of the total expense of converting a quarter of malt into beer, of four-barrel strength to the quarter, may be taken at 26s. This added to the 40s. before mentioned,—makes the prime cost of four barrels, or 144 gallons, amount to 66s. A barrel will be one-fourth of this, or 16s. 6d.; a gallon 5½d.; and a pint less than three farthings.

It is well known that, brewers obtain much more beer out of a quarter of malt than private brewing. They get out of it, quality for quality, four barrels,

* The *diastase* of malt is a peculiar ferment, which has the singular property of turning starch into sugar without malting. It is a sort of extract of malt, and does the same thing in the human stomach, helping it to assimilate all starchy materials.

It does the same with animals.

This is the reason why malt is so fattening in small quantities,—a benefit our excise forbids.

whereas private brewing gets only three. In other words, they brew 144 gallons against 108, being a difference in their favor of 25 per cent., or one-fourth, which,—the tax off,—would be represented in money by 20s. 3d., or the selling price of a barrel of 36 gallons. But as there are two brewings in the year,—spring and autumn,—and continuous deliveries of beer, of course the trade turns over its capital twice a year, doubling the 25 per cent. and making it 50 per cent.

Thus, if the malt-tax were off, beer, of the strength of four barrels to the quarter of malt, if sold at a half-penny a pint, would still leave enormous profit to the brewers.

Out of a population of 30 millions, only about six millions are at present consumers of beer owing to the prohibitive pressure of the malt-tax making it 2d. a pint at the brewers, and 3d. a pint at the public-houses, when it could be sold, on the repeal of the malt-tax, at a half-penny a pint for consumption at home, and with a profit of 100 per cent. to the brewers!

These calculations are confined to the prime cost and selling prices of beer made out of malt and hops alone; but the brewers will enjoy great advantages when the trade is made free by the repeal of the malt-tax. Besides malting by the *diastatic* process, they will obtain additional profits by employing the coarser sugar, saccharine roots, and sprouted grain other than barley in the manufacture of beer, which is another reason why private brewing should be made free, as a further check to the deterioration of quality which otherwise might ensue, notwithstanding the safeguards of free-trade and mutual competition.

At a half-penny a pint there would be above seven millions additional of the poorer laboring classes, now excluded, ready to come in; and as each man counts

for a quarter of barley every year the effect of the repeal of the malt-tax would be prodigious to the agriculture and food-production of the United Kingdom. It would alone revolutionise Ireland by the introduction of the four-course system, and tend more to the physical and moral benefit of the Irish People than any single measure that can be suggested.

The pressure of this tax on the agriculture of Ireland and its injurious effects upon the People, cannot be appreciated by the effects in England, bad as they are there. The malt-tax is mainly destroying the agriculture of Ireland, driving away the peasantry, or leaving them in a state of destitution, which is driving them to destruction. .

To the laborer beer is a necessary of life ; good ale from malt and hops *is food of the very best description*, both physiologically and chemically considered. At present, it may be said, the laborers, as a class, have no beer. They have very few articles of food. As a rule, they have bread and cheese, sometimes a little meat, with tea or cold water in the place of beer. When they do have beer it is generally poor, unwholesome stuff, and often adulterated with poisonous ingredients.

I am here referring to the laborers, as a class, in England ; but what of the same class in Ireland ? It is a rare sight to see a laborer drinking beer in Ireland ; and then—what beer ! And as to meat, no Irish laborer ever tastes it, unless his pig dies a natural death. .

In all my tour through Ireland, in any Irish cabin that I entered,—and I entered many,—I never saw a jug of beer, or a loaf of wheaten bread !

The more Mr. Gladstone's financial policy is considered the more clearly it will be seen that, he has deliberately made the Malt and Spirit duties not

only the foundation of his financial scheme, but also the central idea of his general Imperial and Social policy.

This is to be seen in Mr. Bruce's Licensing Bill lately brought in. It all turns on the excise duties. Instead of permitting and encouraging the population of the United Kingdom to have and enjoy their good and wholesome Ale at Home with their families for a half-penny a pint, direct from the breweries, which they could easily have, Mr. Gladstone maintains his "unchanged convictions," and forces men, women, and children into the Public Houses to drink poor adulterated stuff called beer, at prices far beyond their means; thus making them contribute, out of the wages of their labor, to the revenue of the State, with all the risk to health and morals, and all the unmentionable consequences.

This is what Mr. Gladstone and his colleagues are now doing, and these are the Statesmen that Ireland is to look to for prosperity and peace!

When we consider that, this tax of 2*l*s. 8*d*. per quarter amounts to £4. 17*s*. 6*d*. an acre, reckoning 4½ quarters per acre, and is borne with difficulty and discontent by producers in a rich country like England, with resident gentry, we may form some conception what must be its pressure and evil effects in a poor agricultural country like Ireland, which is almost entirely a food-producing country, with a superabundant population and without any of these advantages.

The effects have been most disastrous.

The returns show that, the land under wheat in Ireland is year by year getting less, and the importation of bread stuffs from Eastern America, and even from California, shows that, Ireland cannot grow wheat at the price those countries can afford to send it. Irish

barley is not of the quality to pay the heavy malt duty. Irish barley, with the tax on, can only be used profitably with oats for feeding and distilling purposes.

The acknowledged excellence of Irish and Scotch Whisky proves that, the climate and growth of those countries are peculiarly favorable for the production of such a spirit.

But our statesmen treat malt and beer as foreign productions, such as tea, coffee, sugar, tobacco, wine and brandy, forgetting that, the countries producing these articles, instead of taxing the raw material, encourage its growth by every possible means.

Why do we not do the same with ours?

The repeal of the Malt tax would be giving to us, and to Ireland most especially, our share of free trade, and this, with the repeal of the wine and spirit duties, would make new and profitable employments spring up in our country, which would soon change the face of Ireland and the condition of its people. Nearly all the barley would be malted for one purpose or another, and the demand for it would be immensely increased.

This demand could be met only by an increased breadth of crop, and Ireland would very largely benefit by it, because it would necessitate an increased cultivation of turnips, rape, mangolds, etc., barley following a root or green crop as naturally as beef, mutton, and long wool.

The Chancellor of the Exchequer says it is impossible to take off the tax on Malt without putting it on some other production, which will be equally injurious to trade. That is admitted; whether equally injurious or not being an immaterial inquiry.

Last year (1870) the Malt Tax produced £6,483,612;—Spirits £10,969,188,—and imported

spirits £4,191,400, together £15,160,588;—Wine £1,476,404. Taking only these three articles, here is a revenue of £23,120,604.

We do not want a Chancellor of the Exchequer to tell us that, we cannot raise that amount of revenue by taxes on natural productions without serious injury to trade, and that means,—to the whole People.

But what right has any Government to tax the free gifts of Nature, and thus to inflict serious injury on the whole People?

The Chancellor of the Exchequer says :—‘ I admit the serious injury to Trade and to the whole People, but the State requires the money, and show me how I can get it with less injurious consequences.’

I answer :—‘ I have shown it, in the pages of the ‘ People’s Blue Book,’ first published 15 years ago.’ I have since heard of that book in every quarter of the globe, though every Edition has gone forth without dedication, without patronage, without the Author’s name; and further, I have heard, from many quarters, of £5 being offered for a copy of that Book, published at the price of 5s. Reluctantly, I now avow myself the Author, for one more trial, and that for the sake of Ireland; because I know that, without the help of Ireland, the book and its author will be condemned by a very large majority of English Landowners, Fund-holders and *realised* Property-holders in general. They do not understand the subject, and think they will be worse off under the new system than under the old one. They do not see that, under the new system of State Taxation, they would be far better off than they are now under the present absurd and evil system.

If the Irish People can understand it, they will see that, it gives them all they can ever want, and far more than they have ever asked for.

When they do understand it they will have it, or Ireland will cease to be part of the United Kingdom.

It is our system of State Taxation, which is starving agricultural profits in Ireland. It makes poor people poorer, and does not make the rich richer. It does not pay commercially to invest capital in tillage, and so Irish landowners are prevented from making those improvements, which landowners in other countries find it their interest to make. Neither will the richer tenants take tillage farms; they seek only grazing farms. The consequence has been, in the course of time, to multiply the small holdings, from 10 to 50 acres, all over Ireland, and the tenants of such farms, being poor, avoid the four-course rotation and exhaust the land by scourging crops of potatoes and oats. The prohibitory tax explains all this, and why the agricultural laborers are only partially employed, and when they are employed, the 6*s.* to 8*s.* a week they receive is inadequate for the decent maintenance of themselves and families. Hence they must starve, unless they can get some small portion of land to eke out a miserable existence.

This explains their passionate attachment to the land, and at the same time those bloody acts of despair and revenge when evicted. If the plough were untaxed, and the wages of labor untaxed, things would soon right themselves in Ireland in obedience to economic laws, and tenants with capital,—of which there are many in Ireland,—would be only too glad to take large farms and to work them in the regular way, employing laborers and paying them higher wages, thus converting them from instruments of destruction into instruments of production for the common weal. The energies of men when diverted from their natural course always turn to mischief.

A general rise in the rate of wages, from the

increased demand, would be a certain consequence of this change in the state of things in Ireland ; but, independently of this, the purchasable power of the wages would be increased more than one-half by the reduced price of all the necessities, comforts, and conveniences of life to the working man, now enhanced by customs and excise duties.

To employ the great mass of the population in Ireland permanently and profitably nothing less than the general arable cultivation of the land will suffice, and this can be done only by putting it under the plough for grain and green crops, which, according to the published statistics of the Board of Trade, are dwindling down to nothing in Ireland. But this is impossible with the excise on malted barley, the key of the four-course rotation. The land is consequently laid down in grass, and the consequence of this is that, Ireland feeds in summer immense quantities of stock, and is forced to sell at any sacrifice when winter approaches. Hence the want of profitable employment for the Irish People, and their minds are turned to agitation in the direction of their peculiar mental activities, which, by continual exercise without control, get stronger and stronger, until they culminate in Fenianism.

Irish difficulties will never cease until the plough be made free, and free-trade principles are carried out in our agricultural as well as fiscal systems.

Then Great Britain and Ireland will be one united kingdom, united by the strongest ties of loyalty and love, with mutual respect and mutual interests.

It is only charitable to suppose that, the Government is ignorant of the mischievous consequences of the malt tax, and how much of the misery of Ireland is attributable to this single cause.

But what human intellect is competent to follow

out all the consequences through the intricate confusion, which must follow the attempt to interfere with and frustrate the beneficent designs of Providence?

Mr. Lowe, the present Chancellor of the Exchequer, thought he was giving the farmers a boon when he allowed them to *sprout* their barley without charging Excise duty on it, before they gave it as fodder to their cattle. The farmers laughed at this as of no use compared with malt. But at the same time he aggravated the operation of the malt tax on farmers, by allowing brewers to use sugar for brewing, on payment of an excise duty of 7s. 6d. per cwt.—a cwt. being the chemical equivalent of the sugar contained in a quarter of barley, which pays 21s. 8d.

Thus, 21s. 8d. — 7s. 6d. = 14s. 2d.—makes in brewing so much differential duty in favor of sugar producers against barley producers.

This is what Mr. Lowe, Chancellor of the Exchequer, did for farmers and for Ireland, last Session, (1870), when he had a surplus of $4\frac{1}{2}$ millions to dispose of!

No wonder people feel uneasy at finding themselves in the power of a man capable of such confusion of ideas.

The Government apportion 2 cwt. of sugar to the quarter of barley, but chemistry and science are against the Government.

This is proved by the exact chemical formula, showing the respective weights, and I will give it in a note for the satisfaction of those who can follow it.* Of course the brewers want the Government to allow more.

* The tax of 21s. 8d. on malted barley per qr. as compared with the tax of 7s. 6d. per cwt. on sugar.

The following formula shows that in malting and brewing, one cwt. of sugar is about equal to a quarter of malt.

Sugar chemically considered is Carbon 12 + Hydrogen 12 + Oxygen 12 for one equivalent, but in malting, four equivalents of carbonic acid are given off, namely, Carbon 4 +

But taking the official allowance, the differential duty amounts to 6*s.* 8*d.* a quarter.

This is shown thus:—

	<i>s.</i>	<i>d.</i>
Malt duty	21	8
Brewing sugar, $2 \times 7s. 6d.$	15	0

Difference—6 8

In March, 1870, Mr. Lowe received, at his official residence in Downing Street, a very numerous and influential deputation from the Central Chamber of Agriculture and other Chambers in the provinces on the Malt Tax, and on that occasion he very properly said to them:—"Let me understand you. I am not very clever about these things."

Oxygen 8, leaving Carbon 8 + Hydrogen 12 + Oxygen 4, which constitute two equivalents of alcohol.

The atomic weights of Carbon being 6, Hydrogen 1, and Oxygen 8, the result is shown in the following table, viz.

Sugar	{	C 12 by 6 equals	. . . . .	72
		H 12 by 1 equal	. . . . .	12
	{	O 12 by 8 equals	. . . . .	96
				<hr/> 180
Carbolic Acid	{	C 4 by 6 equals	. . . . .	24
	{	O 8 by 8 equals	. . . . .	64
				<hr/> 88 . . . 88

Dry alcohol 92

So that, out of 180 parts, say 180 lbs. of sugar, 92 lbs. are converted into dry alcohol, and 88 lbs. into carbonic acid; in other words, given a certain quantity of sugar, half its weight, or a little more, becomes dry alcohol. That is, out of 14 lbs. of sugar, rather more than 7 lbs. of dry alcohol can be produced. This is more than a gallon, and a gallon of dry alcohol is about equal to two of proof spirit which is 50 per cent. water. Therefore a stone of sugar is chemically capable of producing two gallons of proof spirit, which is the quantity obtainable from a bushel of malt: in other words, 8 stones, or one cwt. of sugar, are equal to 8 bushels or one quarter of malt.

Q. E. D.

How should he be ?

But he spoke very plainly to that deputation, and told them that, it was quite impossible for him to give up the Malt tax, but he would think very carefully of all they had told him ;—whereupon they bowed and retired, thanking him for the honour he had done them by his courteous reception of them, and giving up to them exactly 45 minutes of his valuable time.

Some people are thankful for small mercies,—not a characteristic of the Irish People,—and in that very numerous deputation, probably, there was not a single Irishman, certainly not a single Irish Landowner.

But what must Mr. Lowe have felt and suffered on finding himself waited on by such a deputation of men, so far cleverer than himself on the serious question then before him, concerning the welfare of many millions of his countrymen, the ‘alien’ Irish included !

What a penalty for high office, to hold it at the sacrifice of one’s common sense, and every feeling,—if one has any,—of justice and humanity, with only the wretched consolation of a mistaken belief in political expediency, if one really does believe it !

This was all the Chancellor of the Exchequer could say for himself in answer to the overwhelming evidence, brought before him on that occasion by the highest agricultural authorities in the kingdom, to show the injustice and inhumanity, as well as the political inexpediency of this most absurd and cruel tax.

It would be only repeating from the pages of ‘The People’s Blue Book,’ to enumerate all the collateral advantages to the Public at large, which would follow the additional acreage put under the four-course ro-

tation, reckoned by millions of acres, consequent on the repeal of the Malt Tax.

Practical farmers of high standing assure us, it would bring down the price of meat, at least, 2*d.* per lb., or 25 per cent. As the sum now annually paid for the stock consumed in the United Kingdom amounts to about 80 millions, sterling, there would be a saving, in this alone, of 20 millions, sterling, a year; and, no doubt, a like reduction of price would follow in bacon, butter, and poultry.

It is difficult for those who know the evil consequences of this tax to reconcile the maintenance of it, even on the pitiful pretence of political expediency, with common sense or honesty.

The persistent maintenance of this tax is a permanent declaration of war to Ireland.

And yet, this is what the Government is doing:—the Government that was to remove all the ills of Ireland!

And still they prate of peace, and call a little grazing prosperity the wonderful result of their Church Confiscation and Coercion Bills!

They have taken good care of themselves and appropriated exclusively all the benefits of free-trade to England, and they deny to Ireland the only benefit they can confer on her, whose only possible industry is agriculture!

We talk a great deal about our free-trade principles,—the true principles, which must prevail over the whole world,—but what have been the blessings conferred by free-trade on Ireland?

Where is the trade of Ireland, and wherein is it free?

It is free only so far as it suits the views of Mr. Gladstone and his colleagues with reference to the interests of England.

It is a mockery to play in this way with a great political truth, and to Ireland it is adding insult to injury.

The end will be, this stupid and cruel tax must be given up, or the Gladstone Government must be broken up.

I am persuaded that, if the measures here proposed were carried out for the benefit of Ireland, there would be no more occasion for coercive measures in Ireland than in England, and no more talk of "Home Rule."

I am also persuaded that, if coercive measures be again resorted to before these measures of justice and policy are tried, the 23,000 soldiers now in Ireland must be doubled, and the civil force must be largely increased. But physical force will only prevent open rebellion. It will not prevent assassination. It will not prevent starvation, and it will not prevent the consequences. What will prevent a starving people from doing mischief?

Why not try something new, which will be good for all?

If the minds of men were once impressed with the conviction that, there must be order and law everywhere, they would never rest until all that seems irregular had been withdrawn, and the full beauty and harmony of nature were displayed. Then the eye of man would catch the eye of God beaming out from the midst of all His works.

But our system of government, instead of impressing that conviction on the minds of men, interposes to disturb divine order and law, and to hide the full beauty and harmony of nature. The eye of man does not catch the eye of God beaming out from the midst of all His works. By human contrivances, for selfish purposes, the beneficent design has been par-

tially obscured. A great part of the wages of labor of those who have borne the heat and toil of the day is withheld from them and appropriated to uses over which they have no control, and from which they derive no benefit.

We are all of us the worse for too much freedom of action. "*Deteriores omnes sumus licentia.*" The heart is generally deteriorated in those who can carry out their every wish without responsibility or restriction.

This is no new view. It was the view of wise men, ages ago, in pagan times, unenlightened by Christian precept.

It was the view of the enlightened philosophers of ancient Greece and Rome, whose memorable words are handed down to us,—preserved for our example. But I will here give only the words,—peculiarly applicable to the present question,—of that remarkable man, Cicero, through whose bright intellect the divine spirit shone out in glorious contrast with the darkness of those pagan times:—"Detrahere aliquid alteri, et hominem hominis incommodo suum augere commodum, magis est contra naturam quam mors, quam paupertas, quam dolor, quam cetera, quæ possunt aut corpori accidere, aut rebus externis."

If I have dwelt on this part of the subject at wearisome length, it has been solely to show the great importance to Ireland of the proposed new principle of taxation, and to invite the support of the Irish People to this measure.

I have shown that, the abolition of the malt tax alone would confer benefits on Ireland substantial and incalculably great.

We have now the satisfaction of knowing, from the Chancellor of the Exchequer, that, "Malt produced in 1871 the extraordinary sum of £431,000 more than

in 1870. In spirits there was an increase of £481,000, so that the revenue derived from these two articles was larger than at any former time. The case is the more remarkable because the duty on Malt was reduced in 1865 from 4s. to 2s. 7d. per bushel.”—Such is the result of the Right Honorable Gentleman’s “careful consideration” of the facts brought before him by the deputation, which waited on him in 1870, on the subject of the Malt Tax.

It is not easy, for ordinary observers, to see the result of “careful consideration.” But the Chancellor of the Exchequer has favored us with his principle of taxation, in the following words:—“I say boldly . . . all people should be taxed, as the phrase goes, ‘according to their ability;’ and this is a principle which is sound in finance, that every man should be taxed unless the public would be a loser by the transaction.”

This is a bold saying, though something like it was said by Adam Smith, nearly a century ago. But this is a saying open to much commentary and qualification. I cannot here enter into this inquiry, nor is it necessary, as I have gone into it very fully in the pages of the ‘People’s Blue Book.’ But it is easy to see that, the whole question turns on the words: “according to their ability;”—and that,—“every man should be taxed unless the public would be a loser by the transaction.”

With these qualifications, the principle here laid down by Mr. Lowe, from Adam Smith, is harmless. But if it can be shown that,—the taxes fall, upon the greatest number of the people, not, ‘as the phrase goes,’—“according to their ability,” but beyond their ability; and further;—if it can be shown that, by taxing people beyond their ability, the public must be a loser;—then those taxes are impolitic and

unjust. Now, all this is shown in the pages of the 'People's Blue Book,' and the principles there laid down, though obnoxious to many, and by many anonymous writers denied, have never yet been disputed on any ground deserving notice. I am not willing to enter into controversy with anonymous disputants, but I challenge any person of authority to state before the public, under his own name, the grounds of his objections, and I undertake to answer him before the Public. "*Veniet tempus quo posterī nostri tam aperta nos nescisse mirabuntur.*"

I say boldly,—that Budget of the Chancellor of the Exchequer was a continuance of the declaration of war by England against Ireland; but, if the Irish People be guided by reason and prudence they will 'grin and bear it'; for, they may be assured that, the time will come when the remedy here proposed will be adopted and carried out by an enlightened British Government,—enlightened by the force of truth or by the force of circumstances.

In the meantime the Irish should be careful not to encourage the feeling,—that, they are influenced by a settled revenge;—that, they can neither forget nor forgive;—that they live in the past;—have no present or future,—but live with their heads turned backwards. Just so the Roman Catholics live,—with their eyes turned to the Cross. They have not seen the Angel in the Tomb, nor heard his voice:—"Why seek ye the living among the dead?"

It is up-hill for all in this world, but it is too bad to make it harder for those who have to work their way up by their own unaided efforts. They ought to have, at least, the benefit of Nature's free gifts to help them on their way. They ought to have their resting-places wherein to rest and be thankful, and the resting-places should not be in the Poor Houses of the Union.

But there is better hope for all in the future, and this idea has been so much better expressed by Christina Rossetti that, I will give it in her own sweet words.

“ Does the road wind up-hill all the way ?

Yes, to the very end.

Will the day's journey take the whole long day ?

From morn to night, my friend.

But is there for the night a resting-place,—

A bed for when the slow dark hours begin ?

May not the darkness hide it from my face ?

You cannot miss that inn.

Shall I meet other way-farers at night,—

Those who have gone before ?

Then must I knock or call when just in sight ?

They will not keep you standing at that door.

Shall I find comfort, travel-sore and weak ?

Of labor you shall find the sum.

Will there be beds for me and all who seek ?

Yes, beds for all who come.”

It seems to be a characteristic of the Irish People to neglect the things that are placed before their eyes, and, regardless of what is within their reach, to pursue what is and ever must be beyond their reach. Something like this was said a long time ago, though of another people, on a different occasion, by Pliny :—
“ *Ea sub oculis posita negligimus : proximorum incuriosi, longinqua sectamur.*”

Their objections are chiefly to the position in which providence has placed them and their country. They want to alter the latitude and longitude of Ireland. They want to be where they were never intended to be, and never can be. They aim at impossibilities,—‘prendre la lune avec ses dents,’—and are offended with those who point out the impracticability. With querulous weakness they dwell on trifles, and pass over without attention what alone deserves their

attention. They are untaught except by their own priests, and are, consequently, in profound darkness about their own interests. Their priests, for the most part, as ignorant as themselves, are the *causa causans* of a great part of the calamities of their country. "Causa latet, vis est notissima."

But these remarks, made in sorrowful sincerity, are applied only to certain classes of the Irish People. There is a bright and clear intellect and generous spirit in Ireland, which, under prudent treatment, will in time disperse that darkness, and in the meantime does not discourage those who would help to introduce the light of truth into that benighted country.

"Non fumum ex fulgore sed ex fumo dare lucem."

This is a large question, and I have brought it before the Irish People as shortly and clearly as I could, at some trouble and no small inconvenience to myself. It very little concerns me, personally, how they answer it, but I hope the Irish People will now take the whole subject into their own hands, and make Great Britain and Ireland, *de facto* as well as *de jure*, a United Kingdom.

CHAS. TENNANT.

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THE END.

